The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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SATURDAY, OCTOBER 6, 1934 VOLUME 70, NUMBER 6

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Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 70 | Shanghai, China, Saturday, October 6, 1934 | Number 6

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTSING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

A JAPANESE WHO WAS TEMPORARILY A CHILEAN

A CASE which came up in the Chinese Court in the French Concession last week once more brings to public view various angles of the abuse of the much-discussed principle of extraterritoriality. The Chinese government and people naturally object to the principle *per se*. The objection to it becomes all the stronger when it is abused by the foreigners to whom it applies—as is often the case. It will be remembered that a former Chilean Consul General in Shanghai came into considerable notoriety in connection with the issuing of passports—not to all who applied, but certainly to some who were not entitled to them. Many of the passports which he issued were promptly cancelled by the man who succeeded him. These facts are recalled by statements made in the case above referred to. A Chinese steamship company had instituted a private prosecution against a man whom they knew as Curtis who they claimed had secured $5,000 from them under false pretences. The complaint as made by them was that he had represented to them that he could arange to have their steamers put under the Italian flag. The sum of $5,000 was, allegedly, handed over to him, but as the months went by it became evident that there was to be no registration of the boats under the Italian flag, and as a matter of fact "Curtis" had disappeared, at least temporarily. In due course of time the steamship company laid a private complaint before the Chinese court and a summons was issued for him to appear. As he failed to show up he was arrested in the Settlement Sept. 15. When the case came before the court the first time "Curtis" pleaded that as he was a Chilean subject. When the case came up the next time a metamorphosis had occurred. He was no more "Curtis" but Akira Kawashima. He told the court a narrative to the following effect: In May 1932 he had "taken on" Chilean citizenship. But in September or October 1933 when a new Chilean *charge d'affaires* arrived, the latter inserted a notice in the British official organ calling on those who had Chilean papers to present them. Whatever the reasons, his passport was not renewed. And, now, behold, that he was no more

a Chilean, he became what he was before, namely a Japanese, and his name was not Curtis, but Akira Kawashima. And on that ground he pleaded that he was not subject to the jurisdiction of the court. We understand his claim to Japanese nationality has been upheld by the local Japanese Consulate Geneeral.

It is *apropos* to mention in this connection that the privilege of extraterritoriality has in many instances in past years been taken advantage of by foreigners of various nationalities to cover gambling operations. The withdrawal of extraterritorial privileges to Mexico had disastrous results for one individual of this kind several years ago. It is rumored that even now at least two such clandestine establishments are in operation, one by a man claiming French citizenship in the western district of Shanghai and another in the French Concession—in the private house of a certain official to which, because of his position, extraterritorial privileges are accorded by international law.

WHEN THE DOLLAR RISES AND THE YEN DROPS

BOTH China and Japan have had their money problems accentuated during the past several weeks, but from exactly opposite points of view. The Japanese are becoming worried because the yen is becoming cheaper. The Chinese are worried because the dollar (still erroneously called "Mexican" by many) is becoming dearer. The Japanese attribute the recent fall in the yen principally to the recent typhoon, which has badly hit the industrial area of Osaka—particularly the munitions industry. The Chinese attribute the rapid rise in the value of the dollar to the silver-buying policy of the United States. The matter was brought to the attention of the American government last week by Dr. Sao-ke Alfred Sze, the Chinese Minister in Washington. The Japanese claim that the weakness of the yen will only be temporary and are not taking any particular steps towards trying to keep the yen from sagging, the more so, as temporarily at least, the drop in the price of the yen will help to stimulate export business. China has not yet decided what course it will adopt, but it is evident that in due course something will be done by China to stop the huge exports of silver which have been going on for the past month or so. There have been repeated rumors that China intended to put an embargo on the export of silver. Dr. H. H. Kung, Minister of Finance, has on several occasions denied such reports. There have also been indications that China might decide to follow the recommendation of the Kemmerer Commission and adopt the gold standard. The ratio of five Chinese dollars to one American dollar of the present value has been mentioned in this connection. Should the latter step be adopted it would mean that persons having bank balances in China would find that a very considerable part of their wealth had disappeared. China, it is to be remembered is still one of the few countries in the world that has not depreciated its unit. Here in China when a person speaks of a "dollar" he knows what he is going to get, namely a silver coin with a certain amount of white metal of a certain alloy. Not so in many other countries. In America, for example, where the government had promised holders to redeem its obligations in gold it not only fails to keep such promises, but has branded as criminals those who hold on to the original standard, namely gold. The only kind of coin you can get in the United States today is silver. In Germany today there are so many kinds of "marks," and their value is of such a hypothetical character, that the average person cannot understand the abstruse explanations concerning their use. In Russia, the actual value of the rouble has been so low for many years that any one who could successful smuggle paper roubles into the country would make a much larger percentage of profit than bootleggers in America could in the palmy days of American prohibition. With such examples before it, the Chinese government is not likely to stand on ceremony about the measures it will adopt if the flight of silver from the country should continue—as from present prospects it will. Among those possibilities is that the so-called dollar "local currency," which is what most bank-notes call for, will be based on a very much reduced value.

THE GIST OF JAPANESE PRESS OPINION

Japan's trade with China, which constitutes in a measure a barometer of that country's friendliness towards this nation, is showing a steady increase following the summer season.—*Japan Times.*

China is disappointed because its failure to be re-elected to the Council means failure of its international policy. China should return to Asia, severing relations with the League, which is becoming limited to Europe.—*Tokyo Chugai.*

The present development of the C.E.R. situation contradicts all rumors of a Soviet-Japanese war. This is certainly a blessing to all.—*Tokyo Hochi.*

The solution of the C.E.R. problem will contribute greatly towards cultivating friendship between Japan, Manchukuo and Soviet Russia.—*Tokyo Asahi.*

The present trouble in Arizona arose from the fact that the Japanese there have capital and are engaged in agriculture. We do not ask much of the United States officials. We only want them to show that they can enforce law and order in their own country.—*Tokyo Hochi.*

Statistical investigations show that Japanese farmers are saddled with burdens far greater than those of industrialists and yet receive less than half the relief received by the latter. This needs remedy.—*Tokyo Kokumin.*

The most essential thing for the Netherlands Government to do is to place reliance on Japan's policy of fair play, and cancel all its improper duties.—*Tokyo Nichi Nichi.*

The most important factor in Japan's administration in Manchukuo is the traditional Japanese spirit. This must be implanted in the new Empire.—*Tokyo Kokumin.*

Due to prospective failure of agricultural crops this year, the rice price tends to rise. The Government ought to release its stock of rice to control this tendency.—*Tokyo Nichi Nichi.*

Italy's Decision to Establish Embassy in China Causes Surprise in Europe

WHEN in the summer of 1924 "Comrade" Karakhan suddenly blossomed into an Ambassador in the Chinese capital, following the resumption of diplomatic negotiations between Soviet Russia and the old Peking Government, there was naturally a flutter in the chancelleries of Europe and, also in America, but it was as nothing compared with the sensation that was caused last week when it was announced that Il Duce's government had decided to take the same step that the Soviets had initiated a decade previously. Ten years ago the Soviets were still looked upon by the outside world in general somewhat as pious Christians look upon Beelzebub and if the Chinese saw fit to arrange matters so that the man from the Causcasus would file into a banquet at the head of the line, leaving the Ministers of other countries having relations with China to tag on behind, it was a matter that was to be regretted, of course, but after all it didn't make much difference. Now, however, when it is the country which the astute and fiery Mussolini holds in the hollow of his hand—a country incidentally that makes some very good airplanes and other excellent war material, and whose salesmen have been very busy in this part of the world of late—that suddenly decides to give honor to China by agreeing to raise the respective Ministries to Embassies, then the result has been that the other nations, and particularly America, France, England Japan, have taken the matter very seriously. In fact it is somewhat broadly hinted that Italy hasn't been exactly playing the game by thus boldly stealing a march on the other countries in this matter of elevating the status of their representative in China without giving them a chance to get in, so to speak, on the ground floor at the same time.

General Liu Wen-tao

The following is the narrative:

It was officially confirmed in Nanking September 27 that the Chinese Legation in Rome and the Italian Legation in Nanking would be raised to the status of an Embassy. The official announcement stated that the Italian and Chinese governments had reached an agreement by which the Chinese Legation in Italy and the Italian Legation in China would be raised to the rank of Embassies. Official despatches constituting such an agreement were exchanged Sept. 26 between Wang Ching-wei, president of the Executive Yuan, and Signor Raffaele Boscarelli, Italian Minister to China, who acted under special instructions from Signor Mussolini. Both governments expressed the belief that diplomatic intercourse between the two countries should be conducted through instrumentalities commensurate with the importance that each occupied in present day international relations. The two governments also stated that their friendship and mutual understanding would be further strengthened by the step which they had thus jointly taken.

The indications are that Signor Raffaele Boscarelli, the Italian Minister to China, and General Liu Wen-tao, the Chinese Minister to Italy, will be promoted to the rank of Ambassador.

The *Central News Agency* in Nanking Sept. 27 stated that "one or two other powers are expected to follow the example set by Italy in the near future." No decision has yet been reached as to whether the new Embassy will be located in Nanking or in Shanghai.

A message from London Sept. 27 stated that the news that Italy was raising the status of its legation in China to that of an embassy was heralded by observers there as the forerunner of similar action by Great Britian. News of Italy's action caused considerable surprise in British Government circles in view of the fact that Britain, France, Italy, and Japan were supposed to have an agreement that reciprocal consultation should precede such a move by any one of them.

General Liu in a press interview stated that the promotion by China and Italy of each other's diplomatic representation to the rank of embassy, will write a new era in Sino-Italian relations. The decision to raise the diplomatic representations to the status of embassies would greatly facilitate contacts of the diplomats concerned, General Liu added. Signor Boscarelli, in an interview attributed the closer co-operation and friendship between China and Italy, made possible by the exchange of ambassadorships, to Premier Mussolini of Italy who, he said, is well known for his efforts to foster friendly relations with China. The address made by the Fascist leader on the need for closer relations between the East and the West at a meeting of the Foreign Students Association in Italy held some time ago in Rome was cited by the Italian diplomat.

Although it seems to be a foregone conclusion that General Liu Wen-tao will be appointed the first Chinese ambassador to Rome, he will not be able to proceed to Italy to reorganize the Chinese Legation into an Embassy and present his credentials to the Italian government as Chinese ambas-

sador until after the adjournment of the Fifth National Kuomintang Congress scheduled to be held in Nanking on November 12. The prospective Chinese ambassador was the guest at a dinner party given by Dr. H. H. Kung, minister of finance, at his residence in Shanghai, at which Mayor Wu Te-chen of the Municipality of Greater Shanghai and T. V. Soong, member of the Standing Committee of the National Economic Council were also present. Mayor Wu Te-chen also entertained General Liu at the former's residence on Avenue Haig.

Concerning Japanese reports from Tokyo to the effect that the Japanese Government has long been considering the question of raising its Legation in China to the ambassadorial rank, an important official of the Waichiaopu stated at Nanking, Sept. 30 that China has never brought up the question. "China has no opinion whatsoever regarding this question," he added, "although much has been heard of Japan planning to raise the status of the Japanese Legation in China to that of an Embassy."

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The Chinese press hailed the mutual elevation of the status of the Italian and Chinese legations with gratification. The *Chen Pao* among other things commented that although Italy's recognition of China as a Great Power, as implied in her present step, is evidence of her desire to effect closer relations with this country, the melancholy fact remains that the relations between the two countries cannot be normal so long as they are carried on under the terms of the "unequal treaties" forced on China in the past and therefore the first duty of the Chinese Ambassador to Italy should be to bring the attention of the Italiian Government to the imperative necessity for the abolition of the Sino-Italian unilateral treaties. The *Shun Pao*, referring to the reports that several other countries, including Great Britain, the United States, Japan, France, and Germany, will also propose the creation of embassies in China shortly, observed that before the proposal can be adopted, the Government should give consideration to two important things, namely, expenditure and personnel.

The *China Times* sees a commercial motive in the decision of the Italian Government to raise the status of its legation in China. Owing to her rivalry with various European powers, including Great Britain and France, as well as Japan in the Far East, it is but natural that Italy should now turn to China for the expansion of her foreign trade, said journal remarked.

End of Three Years of Russo-Japanese Tension Seen in Agreement for Purchase of C.E.R.

THE end of three years of tension between Soviet Russia and Imperial Japan is envisioned in the agreement reported reached for the purchase of the Soviet-owned Chinese Eastern Railway by the Japanese. At the same time, the policy of retreat followed in China by the present Russian Government, and that of aggression followed by the Japanese Government, reach their natural fruition. North Manchuria, formerly a Russian "sphere," has become exclusively Japanese, with Japanese military forces in control and a political regime wholly in Japanese hands.

The tension between Russia and Japan the last few years has always had, to careful observers, a distinctly artificial character. There were a series of aggressive acts, by the Japanese, apparently trying to see how far they could go, in the ignoring of Russian rights, without actually provoking the Soviet Government to war. The Japanese military men distinctly did not want war, being perfectly well informed on the military superiority of the Soviet army. But Japan's endeavor to strengthen her position in the West —not to speak of China—by posing as the "bulwark against Bolshevism in the Far East," led to continual provocative acts against Soviet Russia and its nationals, and to most belligerent and bellicose statements about Russia by Japanese leaders and in the inspired Japanese press. At the same time, however, normal diplomatic relations have never been severed. There has never, indeed, been even a hint of their severance—in striking contrast to China, which for five out of seven years of the National Government's existence had no diplomatic relations with the Soviet Union. Such relations between Japan and the Soviet Union have always been closer and more regular than between China and the Soviet Union.

Japan, indeed, has been definitely the gainer from the unbalanced Soviet policy in China—unsound and tactless propaganda in the South and retreat in the old Russian sphere in the Northeast. During the "militant" period of Chinese Nationalism, when the old Kuomintang was allied with Communists under Russian guidance, the slogan "Down with Imperialism" meant always "Down with *British* Imperialism." The Japanese sat quietly, and when disturbed replied with ruthless killings (as at Hankow) which were soft-pedalled in the Russian-dominated press. Today "Down with *Western* (particularly *British*) Imperialism" is the slogan of Japan's "Pan-Asia" movement for "freeing Asiatic peoples from the White yoke." In the same way, the "Hands off China!" slogan of 1927 the Japanese took philosophically, biding their time until they should need it themselves, as they have done in recent years.

Fengtien officials in North Manchuria, evidently ignorant of the strength of their powerful neighbor and naturally construing its non-resistant policy as a sign of weeakness, in 1929 raided Soviet consulates, arrested consular employees, and attempted to forcibly seize the Chinese Eastern Railway. The Soviet authorities,

finding negotiations hopeless, finally started a military advance along the railway line, whereupon the Chinese forces fled in panic and the Fengtien authorities hastily agreed to re-establish the *status quo* on the line. At this time, also, the Japanese sat quiet, knowing that this absurd attempt of the Fengtien official could only damage China's credit abroad and the *morale* of the Fengtien troops at home. When the American and other Governments sent a Note to Nanking and Moscow reminding the two Governments of their obligations under the Kellogg Pact—a Note which the Soviet Union regarded as an unjustifiable attempt to bring pressure upon it,—Japan refused to participate. (The Fengtien officials, of course, made no attempt to seize the Japanese section of the Chinese Eastern Railway, known as the South Manchuria Railway.)

The Japanese, however, appear to have been influential in obtaining the withdrawal of Soviet support from the Mongol regime in Barga in 1930. This Barga area, west of the Hsingan mountains, was old Mongol territory. It revolted like other Mongol areas against Chinese rule in 1911 and 1912, and was granted autonomy as a kind of Sino-Russian protectorate, under a native chief, China being prohibited from sending troops into the area without first notifying Russia. Owing to the Chinese Eastern Railway running through its territory, however, this area was not made a part of autonomous Outer Mongolia. After the Russian Revolution, Barga's autonomy was unilaterally cancelled by the Peking Government, and the territory incorporated into Heilungkiang province. This was the same territory as was occupied by Soviet troops at the end of 1929, under cover of which occupation a force of "Young Mongols" set up a Mongol regime at Hailar, and in January 1930 negotiated for the recognition of their autonomy—on behalf of which there had already been several Mongol uprisings against Mukden's control. At this stage, however, the Japanese are reported to have quietly expressed their strong disapproval of this move. In any case, the Red forces were withdrawn from Barga before the Mongol regime could strengthen itself sufficiently to stand alone,—a most striking example of the Soviet policy of retreat in Manchuria.

When the Japanese began their occupation of Manchuria three years ago, they at first moved cautiously with regard to the Soviet Union, gaining courage as they noted the non-resistant attitude which Moscow maintained towards more and more brazen affronts. At first, when Japanese troops entered Chinese Eastern Railway property at the Changchun end of the line, a protest from the Soviet secured their prompt withdrawal. A month and a half later the Japanese, preparing to cross the C.E.R. to reach Tsitsihar, obtained first, by shrewd use of sensational reports, an emphatic assurance from the Soviet Union that it was "not giving assistance to any of the struggling sides in Manchuria," and adhered "to the policy of non-interference." Having gained this assurance, the Japanese expanded their occupation to and beyond the C.E.R. line, and their control of North Manchuria proceeded space.

With the extension of this occupation, the Japanese propaganda against the Soviet Union increased in virulence. Banking on the hostility of Western conservatives to Soviet Russia, Japanese propagandists accused the Soviet Union of arming and supporting Chinese elements opposing the invaders,—an accusation which cut both at the Soviet and at Chinese patriot forces. Japan, as presented by her indefatigable publicists, was "the bulwark against Bolshevism in the Far East,"—a position which gained her sympathy in most Western capitals. Japanese propagandists were greatly aided by unbalanced Western Bolsheviks who followed the Japanese lead in presenting the occupation of Manchuria as "the spearhead of world Imperialism against the Soviet Union"—precisely the impression which Japan's own publicists desired to create.

It was only gradually that Moscow began to adopt a more intelligent and realistic policy, and turn from propagandist denunciations and actual retreat to more sensible diplomacy. During 1932 and most of 1933 the Japanese, increasingly encouraged by the apparently insatiable appetite of the Soviet for Japanese affronts, intensified their anti-Soviet propaganda to such a point that people both in East and West were looking daily for actual war between Japan and the Soviet Union. While the Japanese military were aware of the great power of the Red Army, less responsible patriots both at home and in Manchuria, and particularly among the Japanese adventurers running the "Manchukuo" regime, were actually shouting for war against the Soviet, thereby gaining increased sympathy for Japan in certain Imperialist circles in the West, giving a new stimulus to the tiring enthusiasm of Japanese patriots, and getting more and more open support from conservative elements in China.

The Soviet policy of retreat, and the increasing Japanese arrogance, reached its culmination in the plan for actual seizure of the Chinese Eastern Railway by the Japanese a year ago. The complicated history of this railway has already been dealt with in the *Review*, and it is only necessary to summarize briefly here. The line was arranged for in 1896, to implement a secret Russo-Chinese treaty of military alliance and make it possible to move Russian troops rapidly into Manchuria. The Russian Government supplied the capital (which it obtained from France) for the line. The Japanese Government took the section of the C.E.R. south from Changchun after the Russo-Japanese War, renamed it the South Manchuria Railway, and never permitted any Chinese interference with this section or with the administration of the zone in which it is located. The new Russian Government, however, after the Russian Revolution surrendered the zone of the C.E.R. north of Changchun to Chinese administration, and by the 1924 Sino-Soviet agreement gave China a half-share in the direction and profits of the railway, though without relinquishing its own possession of the line.

Early in 1932 the new "Manchukuo" regime, declaring that it accepted all obligations of its

predecessor, appointed a new Chinese president of the Chinese Eastern Railway, and new directors from the Chinese side, one of these a leader and director of the anti-Soviet move of 1929—a possible indication that Japanese intrigue had encouraged that ill-fated move. To these changes the Nanking Government raised no objections of any kind, and the Soviet side accepted the new representatives accordingly.

With increasing Japanese control in North Manchuria, the intensification of anti-Soviet propaganda, and the building of new Japanese lines in the C.E.R. zone, the position became so complicated that the Soviet Union, continuing its policy of retreat, last year decided to sell the Chinese Eastern Railway to Japan, and made an offer to Tokyo. Now, for the first time, Chinese claims to the railway were announced by Nanking, and a bitter anti-Soviet campaign was carried on in China, —evidently encouraged by pro-Japanese elements in order to change anti-Japanese to anti-Soviet feeling. The Japanese themselves had been so greatly encouraged by the Soviet non-resistance policy that they now thought it possible to seize the railway without payment, carrying out a gradual policy of usurpation of Soviet rights and arrests and intimidation of Soviet officials until the line should be entirely in the hands of the Japanese and their "Manchukuo" employees. The Japanese officials of "Manchukuo" favored most rapid and drastic action, but the army heads, knowing the real strength of the Soviet army, declared "the application of force inadvisable."

The uncovering of this plan by the Soviet Government, and its publication to the world through the notorious Hishikari documents, marked a new phase in Soviet diplomacy. They were willing, indeed, to retreat, but they at least expected to get paid something for the property which had, apparently, mainly determined their non-resistant attitude in North Manchuria. Their publication of the Japanese documents revealing the Japanese scheme, however, had unexpected effects. It was a wholly unexpected sign of firmness, as well as of a highly competent espionage service, which not only greatly worried the Japanese, but immediately brought a favorable response abroad. Not only did the Japanese jingoist press, which had been shouting for war with Soviet Russia and the conquest of the Russian Far East, suddenly reverse its tune and begin to lament the militance of the Soviet Union in "trying to jockey Japan into war," but the American Government immediately gave its strong approval and encouragement to the Soviet stand. October 8 the Soviet Government made its disclosures, and October 10 President Roosevelt sent his famous message to the Soviet Union inviting a Soviet representative to the United States "to do away with the present abnormal relations." From this has followed the Soviet-American rapprochement, to the dismay of the Japanese and of their friends in China.

This unexpected response further encouraged the Soviet Government to a more realistic line of foreign policy. While continuing their military precautions on their eastern frontier, the Russians have made every attempt to strengthen their position in the West. The position in Europe, and the threatened renascence of German militarism under Nazi leadership, brought the Soviet Union and France together, securing Soviet Russia's western front. This was followed by a Soviet rapprochement with the League of Nations, negotiated mainly by France.

While these negotiations were on there was a further recrudescence of Japanese aggressiveness, and bellicose declarations against the Soviet Union, evidently designed to impress favorably their Tory friends in control of the British Government, and prevent British support of the Soviet Union in connection with the League. Many Tory leaders were openly in favor of a renewal of the Anglo-Japanese Alliance against Russia, and for the fuller subjugation of China. But Britain has wider interests than the Far East, and the strengthening of the League is of vital importance to her. Finally, therefore, the Soviet Union was taken into the League, given a permanent seat on its Council (becoming in fact one of the League "Super-Council" of Britain, France, Italy, and the Soviet Union,) and its ally Turkey also given a seat on the Council.

Japan is isolated as never before. Immediately following the establishment of the Soviet Union's new position in the greatly strengthened League, Japan approached Moscow with an improved offer for the purchase of the Chinese Eastern Railway. Details have yet to be settled, but any real tension is at an end. Japan, isolated, is no match in a military sense for the Soviet Union, and both sides are fully aware of this. The Soviet Union is selling the Chinese Eastern Railway, thereby completing the Russian retreat from Manchuria. In the course of this last retreat, however, she has established a definite rapprochement with other Great Powers, and with the League of Nations, which augurs well for the future of world peace.

"GOOD HONEST PROPAGANDA THROUGH GOOD, HONEST MEANS"

The following editorial paragraphs appeared in the English edition of the Osaka Mainichi, Sept. 21:

"The Foreign Office is reported to be preparing a series of what may be called 'Nippon Readers' for the use of American children in grammar schools and students in the high schools. The step is regarded as timely since the craving for a deeper knowledge of this country and its people has become pronounced among the young folk. This tendency was undoubtedly influenced by the American public, which is no longer satisfied with chance reading concerning Japan and the Japanese, but is demanding a more systematic source of correct information.

"The American public also will be satisfied by the Japanese authorities, it is understood, but the proposal of furnishing Readers for the coming generation of America will certainly bear most salutary fruit. It will be a good, honest propaganda through good honest means. No attempt will be made to influence the young minds across the Pacific to hold views especially favorable to ours will be simply to supply facts and information on our country and the doings of our people."

Twenty-third Anniversary of Revolution Finds Chinese Republic Firmly Established

THE Chinese Republic on October 10 will celebrate its twenty-third anniversary. It is generally known among Chinese as the "Double Ten" anniversary, a reference to the fact that the revolution broke out in 1911 on the tenth day of the tenth month—not, according to the old Chinese calendar then in force, but according to the Gregorian Calendar, which the Chinese Republic has since adopted. The revolution of 1911 had been planned to take place at a somewhat later date, but the chance discovery by the Government authorities of a cache of arms at Hankow belonging to the revolutionaries gave the Government as, represented by the Viceroy, the cue that a revolution was in the process of brewing. Although the revolutionary party was far from prepared, they decided that delay would be even more dangerous than action without the planned preparations, so on the night of October 10 they made an attack on the Viceroy's Yamen (which proved entirely successful) and gained control of the city. The Viceroy fled, arriving several days later in Shanghai. During the succeeding several months the revolution gradually spread until it covered pactically the whole of China. The old Manchu regime had long since become unpopular and the spark at Hankow soon kindled a spirit of revolt throughout the whole country. The Peking government was helpless before the rising tide. It was almost pathetic in its appeal to General Yuan Shih-kai to return from his native village. He had been sent into exile a year or two previously "in order that he might cure his sore foot." Yuan was in no hurry to respond. In his first reply he stated that his foot hadn't got quite healed yet. However, in the end, about a month later he appeared in Peking and went through the motions of putting down the revolution. It soon became apparent, however, that he was in no hurry to overcome the revolutionaries—who would have been no match at all for his experienced troops had he really been in earnest. Yuan's heart still rankled with indignities which had been heaped on him by the Imperial House and he managed things in such a way that when on Feb. 12, 1912, the Empress Lunyu in the name of the Boy Emporer signed the decree of abdication it was Yuan Shi-kai that was named to form the provisional government. Dr. Sun Yat-sen, the guiding spirit of the revolution, had in the meantime returned to China, and on December 29, 1911, he had been elected President. He took the oath of office at the tomb of the founder of the Ming Dynasty at Nanking—an incongruous act when considered in the light of the fact that the man who took the oath was the head of a Republic, but nevertheless symbolical in that it meant that once more the Chinese people were to be masters in their own house. As soon as the Manchus were out of the way Yuan took over the Presidency—the details being that Dr. Sun and his cabinet presented their resignations to the Nanking assembly on Feb. 14, and that the assembly elected Yuan Shih-kai to succeed Dr. Sun on the following day. Thus there came into existence the Republic of China—not really a republic in the Western sense, but a great advance as compared with the effete and corrupt Manchu regime which it succeeded.

Probably no people who have embarked on the difficult task of establishing a government "of the people, by the people and for the people" have been beset with so many difficulties as have the Chinese during the past 23 years. Yuan Shih-kai in the end proved himself to be anything but a friend of the Republic. If fate had not intervened he eventually would probably have established another Imperial regime. As it turned out he did try it, but, led by the Southern group, the country rose up even more strongly than it did in the original Revolution, with the result that on March 22, 1916, Yuan issued a humiliating mandate cancelling the proclamation of an empire —and some weeks later (June 6) he died. It was with such a start that the Chinese Republic got under way.

The history of the intervening years reveals a drama as tragic as it is interesting. The war in Europe had broken out in the meantime and its repercussions were felt on this side of the world in a number of directions. Japan seized the opportunity to secure revenge on the second of the trio (Russia, Germany and France) that had ousted her from the Liaotung Peninsula (Port Arthur and Dalny). The Japanese used the same tactics in the attack on Tsingtao that they did at Port Arthur—finding the front door barred they came around by the rear. That it meant violating the neutrality of China didn't worry the Japanese in the least. They calmly went ahead and had the satisfaction of securing (Nov. 7, 1914) the capitulation of the German garrison. The Japanese in their ultimatum to Germany asking that Tsingtao (Kiaochow) be turned over to them spoke of "eventually returning it to China." When the smoke had cleared away and Japan was in possession she blandly said that the promise to turn over to China was conditional on its having been turned over to Germany without a fight. So she held on until the Washington Conference. Taking advantage of the war in Europe Japan also presented the infamous XXI demands. The inside story of these demands is still in dispute, but there is internal evidence of chicanery on the part of the Yuan Shih-kai. Then came China's severing of relations with Germany (March 14, 1917). The declaration of war followed on August 14 of the same year. About the same time the notorious Nishihara loans were put over. Nishihari was a Buddhist monk; he negotiated with the then Premier, Tuan Chih-jui—for excoriating whom Eugene Chen, then editing an English newspaper in Peiping, was imprisoned by the

Chinese Government, and probably saved from execution through the intervention of the late Putnam Weale. An anomaly in connection with the expatriation of Germans in China was that the arrangements were carried out so slowly that the actual shipment of the Germans out of the country did not take place until *a month after the war in Europe had come to an end.*

Vice-President Li Yuan-hung succeeded Yuan Shih-kai to the Presidency upon the latter's death. His Presidency came to an end in the summer of 1917 when a Chinese General, Chang Hsün, an officer of the Manchu regime and a true disciple of the late Yuan made another attempt to establish a monarchy. He actually "sneaked" into the palace at Peking one night, placed the little chap who has in the meantime became the Emperor of "Manchukuo" on the Throne, and kowtowed to him. But the "monarchy" only lasted six days. Whatever mistakes the Republican regime had made the people were agreed on one thing—they didn't want a monarchy, and particularly not a Manchu emperor.

The next man to become President was Feng Kuo-chang; it was during his term that the declaration of war against Germany was made. The next important milestone in China's history was the decision of China not to sign the Peace Treaty at Versailles—this following the discovery, that Shantung was to be sacrificed to Japan. Next came the Washington Conference 1921-22. Among the points gained there by China were: The retrocession of Tsingtao, the abolition of foreign post offices in China, an increase in China's tariff rates, and steps taken towards the abolition of extraterritoriality.

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The intervening years were punctuated with various civil wars. After Dr. Sun had set up his government in Canton in 1921, he urged a punitive expedition against Peking. The capital at the time was under the control of Liang Shih-yi, who had been appointed Premier by President Hsü Shih-chang, who had succeeded Feng in 1918. However, a dispute between Sun Yat-sen and General Chen Chiung-ming culminated in the former becoming a fugitive once more. The elections in 1923 made Tsao Kun President at Peking. The latter proved to be *persona non grata* not only to Dr. Sun, but to Tuan Chih-jui and Chang Tso-lin as well. What had made him odious to the whole nation was his election to the presidency through bribery of the parliament. While Dr. Sun was threatening an expedition against his regime from the South, Chang Tso-lin actually moved against him from the Northeast. Thus, the so-called first Fengtien-Chihli war was fought in 1922, in which Marshal Wu Pei-fu figured prominently and which resulted in the defeat of the Fengtienites. The latter withdrew from inside the Great Wall; and, humiliated by the defeat, Marshal Chang carried out extensive reforms in his military organization both in personnel and equipment. The reforms soon bore fruit. In 1924, when the second Fengtien-Chihli war broken out, the Chihli Clique not only had a formidable enemy to face, but was undergoing serious internal disintegration due to the rivalry between leading subordinates under Tsao Kun, Marshal Wu Pei-fu and Marshal Feng Yu-hsiang. At that time, Feng was garrisoning the Metropolitan Area (Peking) and vicinity and under orders of Marshal Wu his troops were ordered to proceed to Shanhaikuan to meet the Fengtien attackers. Instead of carrying out the order, he deflected and after having entered into an understanding with Marshal Chang Tso-lin, withdrew his men to Peking, making Tsao Kun a prisoner at his presidential quarters and expelling "Henry Pu Yi" from the Palace. In the meantime, Marshal Wu had taken flight to the Yangtsze Valley. The deflection of Marshal Feng had not only brought the downfall of Tsao Kun and eventually Marshal Wu Pei-fu, but caused the ultimate collapse of the Chihli Party. To rehabilitate affairs in Peking, a three bigheads conference was held at Tientsin participated in by Marshal Tuan Chi-jui, Marshal Chang Tso-lin and Marshal Feng himself. As a result of the conference, Marshal Tuan was made Chief Executive of China and this circumstance had given an opportunity for the revival of the Anfu Party, of which Marshal Tuan was the leader. Marshal Tuan's Chief Executiveship was meant only to be a provisional scheme in the reorganization of the Peking Government and the rehabilitation of the country. He was to serve as a gap between the old and the new regimes. According to the agreement reached at the Tientsin confab, he was to summon a conference to achieve the objectives, at which Dr. Sun Yat-sen should be invited to attend. Dr. Sun arrived at Peking from the South via Japan in 1925. Here again, difficulties arose between the leaders. Marshal Tuan was summoning what he called a National Rehabilitation Conference, while Dr. Sun insisted that the Conference should be a National People's Congress composed of representative of the people instead of mere officials to decide upon the reorganization of the Government. Marshal Tuan won the upper hand. Dr. Sun was in the meantime rapidly failing in health and finally died at Peiping on May 12, 1925. However, on the other hand, Marshal Tuan was also not long in his exalted position and was soon squeezed out by Chang Tso-lin who had since become virtual dictator of the Peking Government until 1928.

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During the intervening years between 1925 and the present, events clustered thick and moved with lighting rapidity. The years witnessed the rise of Nationalism, victory of the Northern Expeditionary Forces sweeping over the whole country, the collapse of Northern Militarism, the establishment of the National Government under Kuomintang Rule and events which can hardly be even enumerated in this limited space. Briefly, we give the following outline of events:

Following the demise of Dr. Sun, the Kuomintang was for a time in danger of being split up due to factional strife within the rank and file

of the Party members, but it soon found a rallying point under the able leadership of General Chiang Kai-shek. In 1925, General Chiang had succeeded in subduing the remnants of the rebel leader, Chen Chiung-ming in Kwangtung and in liquidating the mercenary troops of Kiangsi and Yunnan and reactionary elements in the province. In the following year he virtually mastered the situation in the South. In July, 1926, he was appointed by the Canton Nationalist Government Commander-in-Chief of the Northern Expeditionary Forces to campaign against the Northern Militarists and reactionaries. Advancing from the valley of the Pearl River, his armies soon swept over the Yangtsze provinces and wrested the Wuhan cities from Marshal Wu Pei-fu, who had in the meantime patched up his differences with Chang Tso-lin at Peking. Wu was defeated and withdrew his men to Honan. Continuing his advance, General Chiang led his crack divisions into Kiangsi, where he came into impact with another Northern militarist, Marshal Sun Chuan-fang, who then controlled the five southeastern provinces with headquarters at Nanking and Shanghai. In the meantime, a Nationalist Government was established at Hankow with the radical leaders in control of affairs—the fiery Eugene Chen being Minister of Foreign Affairs. Sun's forces were first defeated in Kiangsi and Fukien and ultimately driven out of Chekiang. In March, 1927, Sun's hordes and his Fengtien allies were defeated and Shanghai was occupied. Shortly afterwards, Nanking was captured, and Sun's remnants retreated to Shantung which was then under the grip of General Chang Tsung-chang. Soon after General Chiang had established himself at Nanking a new Government was set up in opposition to the Hankow Regime. A split developed between General Chiang and the Wuhan leaders, which became known in Kuomintang History as the Party's schism and which was finally healed by the abolition of the Hankow Regime and its amalgamation with the Nanking Government, with General Chiang as Chairman. For a time, politics dominated the military situation and the Northern advance of the Nationalists was checked on the edge of Shantung. In the summer of 1927, General Chiang retired due to heated political and Party controversy over his authority and made a trip to Japan. Soon he returned to China and was again called to the direction of affairs at Nanking. Immediately on resuming office, he reorganized the Northern Punitive Expedition. Directing the advance of his armies from Hsuchow northward, he found the Japanese in Shantung blocking the way. Following the flight of Chang Tsung-chang and the occupation of Tsinan, a clash occurred between the Nationalist Troops and the Japanese troops stationed in that city which became known as the Tsinan Incident in which several high Chinese officials in addition to a large number of civilians were killed. But due to the actions of General Chiang, serious complications with the Japanese were avoided. After marching around the Japanese, Peiping was finally reached and Marshal Chang Tso-lin withdrew into Manchuria where, while enroute to Mukden—at Huangkuteng on the Peking-Mukden Line—he was bombed to death under circumstances that indicated that it was done by Japanese. The capture of Hopei (then known as Chihli) brought about the unfication of the whole country this side of the Great Wall under Kuomintang rule.

Events in the next few years presented equally great difficulties for General Chiang. In 1929 and 1930 he resumed active command of the Government troops in the suppression of the rebellions of the Kwangsi troops in Central China based on Wuhan cities and the Northern Military Coalition at Peiping, and succeeded in liquidating both. In the meantime, relations between the Manchurian administration headed by Marshal Chang Hsueh-liang, son of the Old Marshal Chang Tso-lin, and the Nanking Government were becoming increasingly cordial. In October, 1930, the Young Marshal marched his crack Manchurian Divisions inside the Great Wall and crushed the Northern Coalition. Thus the three Northeastern Provinces were brought under the control of the Nanking Government and unification of the whole country achieved.

Between the years of 1931 and the present year, the country has faced and is still facing serious difficulties both internally and externally. While natural calamities (Great Flood of 1931) and human woes(Communists ravaging Central China) vied with each other in rending the country, Canton's opposition against Nanking assumed a defiant attitude and an independent Government was set up in the South. Taking advantage of this curious combination of circumstances, the Japanese executed with dramatic suddenness a series of raids in Manchuria beginning with the occupation of Mukden in the night of September 18, 1931 which finally resulted in the occupation of the whole region. Faced by an unprecedented national crisis, Canton and Nanking leaders made peace and a peace conference was held in Shanghai late in the Winter of 1931 which resulted again in the resignation of General Chiang Kai-shek and reorganization of the Nanking Government. While petty squabbles and personal strifes of politicians and militarists continued, the Japanese were losing no time. They created troubles in the Peiping-Tientsin Area and in Shanghai. In January 1932, things came to a head at Shanghai, when the Japanese began armed operations in Chapei and attempted to create a reign of terror along the Yangtsze Valley to intimidate the Chinese Government to terms. As soon as the Japanese hostilities in Shanghai broke out, the National Government made an exit to the ancient city of Loyang in Honan and watched from afar the progress of the hostilities in Shanghai which lasted nearly two months and resulted in extensive destructions and irreparable losses. General Chiang was again called to the direction of affairs at Nanking and another reorganization of the Nanking Government took place with the present Head of the Executive Yuan, Wang Ching-wei, since in charge of political affairs, and General

Chiang in control of military affairs. At the beginning of 1933, the Japanese, after having consolidated their position in Manchuria, were again on the move and started an expedition into Jehol, which in a short time fell into the hands of the Japanese together with a large part of Hopei province. In the meantime, the Communist situation became more and more serious and this has necessitated General Chiang remaining at the front most of the time directing the work of internal rehabilitation. This brings our summary of Republican history to the present time, with Manchuria and Jehol remaining unrecovered and the Communists unsuppressed.

But, nevertheless, the Chinese Republic is firmly established, despite all the tribulations it has endured—the only real set-back for the Republic having been the Japanese adventure in Manchuria. But the history of that adventure is by no means yet a closed book.

General Huang Fu Plans Important Reforms in North; Anti-Red Compaign Making Progress

High Lights in the Events of the Week:

1. **Peiping Political Council to Hold Plenary Session on Oct. 6**
2. **Nanchang Claims Important Victories over Communists**
3. **Anchin Livimg Buddha Honored by Nanking Government**
4. **Canton Appeals for Freedom of Press and Speech**
6. **National River Conservancy Commission Created at Nanking**

A plan to bring about reforms in both the political and economic fields in North China has been drawn up by General Huang Fu, chairman of the Peiping Political Affairs Readjustment Committee. It is suggested by the North China leader that a special institute be established in Peiping for the training of personnel for the various district governments and police administrations in North China. Only those recommended by the various provincial governments will be accepted into the bureau and will be given three months' training after which priority of employment will be given those with better records in the institute. Another school will be established for the training of rural workers. Graduates from senior middle schools will be eligible and will be required to undergo thorough training in all aspects of rural reconstruction and rehabilitation for a period of six months.

The plenary session of the Peiping Political Affairs Readjustment Commission summoned by General Huang Fu will be held on the scheduled date, October 6. The session will be attended by representatives of the provinces of Hopei, Shansi, Chahar, Suiyuan and Shantung and the Peiping and Tientsin Municipalities.

Interviewed by Chinese newspapermen September 30, Yin Tung, managing director of the Peiping-Mukden Railway, confirmed the report that the Peiping Political Council had decided to establish a commission to handle all problems dealing with the demilitarized zone. Mr. Yin declared that the purpose of his recent trip to Peitaiho was two-fold; first, to inspect the railway and to study plans for the development of Peitaiho, and second, to exchange views with the Japanese military authorities concerning the rehabilitattion of the demilitarized zone. Reports persist in Chinese circles that Mr. Yin's ttip to Peitaiho and Shanhaikwan was connected with the question of restoration of postal relations between Manchuria and North China, but this lacks confirmation in official quarters.

In connection with the Yutien Incident in which a Japanese merchant by the name of Miyakoshi was killed by mistake by a member of the Chinese militia there sometime ago, the Japanese Consulate-General at Tientsin has lodged a formal protest with the Hopei Provincial Government. The protest, it is understood, demands apprehension and punishment of the responsible party and payment of solatium to the family of the deceased.

In view of the prevalence of banditry in the Luantung district, the provincial government of Hopei has telegraphed the Ministry of Foreign Affairs, urging that no passports be issued to foreigners who desire to visit that region. The Hopei authorities request that the various provincial governments should also be informed that it is dangerous for foreigners to visit the Luantung area.

The Chienan incident in which six Koreans were reported to be missing has been satisfactorily settled with the payment of a sum of $2,000 as solatium to each family of the victims. The money has been handed over to the Japanese authorities for distribution among the families concerned.

General Ho Ying-ching, chairman of the Peiping Branch Political Council and concurrently "commissioner for the guidance of Mongolian autonomy," left Peiping for Suiyuan September 26 by train for the purpose of meeting the leaders of the Mongolian Political Council and inspecting the situation in Inner Mongolia. Among those with whom he will confer are Prince Yun and Prince Teh. General Ho returned to Peiping Oct. 2.

Col. Doihara, Head of the Japanese secret service in Manchuria, suddenly arrived at Tientsin from Shanhaikuan September 2. The mission of his visit is unknown. He is understood to be proceeding to Peiping. Col. Doihaha is well remembered at Tientsin as the chief-plotter who engineered the Tientsin Uprisings in the Winter of 1931 which finally resulted in the kidnapping of Henry Pu Yi to Manchuria.

Replying to the protests of the Chinese government against the forcible repatriation of Chinese domiciled in Japan, the Japanese Foreign Ministry through the Japanese minister, A. Ariyoshi, Oct. 2, presented an official denial to the Chinese Foreign Ministry. The reply declared that the 54 Chinese returned to China voluntarily, and that no forcible means were employed. It further states that property of the repatriated Chinese was not confiscated, and their Japanese wives are remaining in Japan of their own accord.

According to a message from Mukden, a daring jail-breeking occurred in the night of September 25 near Mukden, where more than 300 prisoners succeeded in escaping from the prison. The city of Changpeh is now under occupation by the prisoners who are reported to have been joined by a force of 500 volunteers.

General Teng Tieh-mei, well known volunteer leader who was betrayed to the Japanese by his concubinee, has been secretly executed by the Japanese at Mukden after being imprisoned for nearly six months.

The *Cheng Pao*, one of the oldest Chinese dailies in Peiping, has been suspended by the Publicity Department of the Central Kuomintang in Nanking for seven days from Sept. 27. The suspension of the paper is due to an interview published in the issue for September 19, in which Marshal Feng Yu-hsiang made some caustic remarks concerning the government's policy towards Japan.

The Customs station at Chalingkow, one of the Passes in the Great Wall region, has been established and has commenced functioning since the 28th.

Nanchang Claims Important Victories Over Communists

Government military operations against the "Red" bandits along the Kiangsi-Fukien border during last week-end were rewarded with successes on three fronts, according to reports received at Nanchang. At noon Sept. 30, the 36th Army under General Chou Hun-yuan occupied Kachsingyu, 10 miles north-west of Hingkuo, "Red" stronghold in southern Kiangsi. The bandits belonging to the 1st "Red" army corps sustained a total of 2,000 casualties. 800 outlaws were captured by the Government forces and 400 rifles seized. Simultaneously, Siaosungshih, 10 miles north of Shihcheng, "Red" stronghold in south-eastern Kiangsi, was taken by units of the 3rd Route Army. The 3rd "Red" army corps, which bore thte brunt of the attack by the Government troops, were forced to retreat southwards to Shihcheng, leaving behind a number of killed and wounded. In western Fukien, the Eastern Route Bandit-suppression Forces met with equal success. The important "Red" defence works at Chungwotsun, situated midway between Liencheng and Changting (the latter city is the present objective of the Government forces) was captured by the 4th Column under General Li Yen-nien on Sept. 29.

In view of the imminent capture, by Government troops, of Hweichang, Yutu, Ningtu, Shihcheng and Juikin, "Red" strongholds in southern Kiangsi, refugees from these places have been daily pouring into the walled city of Kwangchang, south-eastern Kiangsi. By an order of the Kiangsi Provincial Relief Committee, the concentration camp for refugees at Kwangchang has been removed to Hsin-an, a town near Kwangchang, to accommodate the growing number of refugees.

Chang Yu, Commander of the 4th division of the 3rd "Red" army, has been surrendered to the 6th Government Division during the battle north of Shihcheng, south-eastern Kiangsi.

Paiyiyangling, the key position of Changting, "Red" stronghold in western Fukien, has been occupied by the 36th Government Division. As a result, Chungwotsun, a village situated at the foot of the peak, was taken by the Government troops without much fighting.

Severe fighting has been in progress during the past few days between the Government troops and the Communists in the vicinity of Liencheng in western Fukien. The fighting there has been caused by the eveloping movement of the Eastern and Northern Route Bandit-suppression Forces on the Communists at Changting which resulted in the scattering of the Reds in different directions, several bands of which are attempting to penetrate into Liencheng. Anticipating such an attempt, General Chiang Ting-wen, Commander-in-Chief of the Government Forces in Fukien, has dispatched in advance several Divisions of troops to Liencheng front to forestall the Communist raid. These troops have arrived there in time to meet the invading marauders and have succeeded in surrounding them. The main forrce of the Communists attacking Liencheng has been broken and it is expected thatt they will suppressed completely in the near future.

Marshal Chang Hsueh-liang has returned to Hankow by aeroplane after a visit to Kuling for a personal interview with General Chiang Kai-shek. The Marshal inspected conditions in eastern Hupeh before returning to Hankow.

General Chen Chi-tang is now making preparations for a general offensive against the communists in southern Hunan and Kiangsi and for this purpose he has ordered General Huang Kwang-jui, Commander of the air force, to remove all military planes at Shaokwan to Nanhsiung on the Kiangsi-Kwangtung frontier. As soon as these planes arrive at Nanhsiung the offensive will begin. General Chen has submitted a memorandum to General Chiang Kai-shek, detailing plans for the suppression of the Communists in Central and Western China within a stated period of three months and recommended General Pai Chung-hsi of Kwangsi as the Field Commander-in-Chief of the Bandit-Suppression Forces.

According to Military intelligence reports received by the Nanchang Military Headquarters, the "Soviet Government" in Kiangsi has recently undergone a slight reorganization. Mao Cheh-tung is now Chairman of the Central Executive Committee of the Communist Party in China and Hsiang Ying is the Vice-Chairman. The Chairman of the Soviet People's Commission is Chang Kai-tien who has full control of the administrative affairs in the "Chinese Soviet Republic" in Kiangsi.

A band of about a thousand communists made a surprise attack Sept. 24 on Wuyuan, an Anhui city on the Kiangsi-Anhui border, by stealing across a small creek. Their presence was discovered by the troops of General Chen Tiao-yuan and desperate fighting ensued. After a sharp engagement lasting two hours, the Communists were driven away.

The "Reds" under Hsiao Ko, after their defeat at Sinchang, Hunan, have fled northwards from Chinping, south-eastern Kweichow, and crossed the Tsingshui River. The Government forces engaged in the extermination of the outlaws consist of the Hunan Provincial Peace Preservation Corps, which have reached Nantungssu from Chinping and 7th (Kwangsi) Army which has also arrived at Chinping.

General Chang Kai-shek has issued another order to General Liu Hsiang instructing him to resume his duties as Commander-in-Chief of the Bandit-suppression Forces and concurrently Rehabilitation Commissioner for Szechuan. The various Szechuan commanders have likewise been enjoined to take concerted action against the "Reds" in northern Szechuan in order to bring about the success of the campaign.

After inspecting the defence works works of the 5th Route Army in the Kaikiang front, General Liu Hsiang returned to Chungking via Wanhsien September 26. In an interview he announced that a fresh line-up of the Szechuan troops at the front has been completed and that the defence works have been consolidated. Tacties more suitable to the local toporgraphy will be employed in the impending general offensive against the "Reds."

In view of the swift westward movement of the communists in Hunan General Lung Yung, Chairman of the Province, is taking precautionary measures against a possible invasion of Yunnan. General Lung has telegraphed to the military authorities in Kweichow requesting them to keep a close watch over the movements of the communists. At the same time he has instructed the local authorities of the districts on the border to be on the alert and hold their local militia ready to meet emergencies.

Anchin Living Buddha Honored by Nanking Government

An impressive ceremony for the conferment of the honorific title of Pu-Ching-Fa-Shih (Priest of Universal Peace) upon Anchin Hutuketu, personal representative of the Panchen Lama, "Living Buddha" of Tibet, was held September 24 at National Government House. A document in which Anchin Hutuketu is officially commended for his cultural work in the Western Border and in which the fact of the confermeent of the honorific title is officially recorded, was presented to the Tibetan dignitary by President Lin Sen.

General Huang Mu-sung, Special Commissioner to Tibet, reports that his recommendations regarding the promotion of postal facilities between Sikong and Tibet and the construction of highways in Sikong have been approved by the Tibetan leaders. He stresses the necessity of developing communications between Sikong and Tibet in view of the cessation of military hostilities since the demise of the Dalai Lama, "temporal ruler of Tibet," and of the loyalty of the Panchen Lama, "spiritual ruler of Tibeet."

The following five highways are recommended by General Huang for construction:

Yachow-Kangting Highway to link up western Szechuan with eastern Hsikang—530 li (177 miles) long.

Kangting-Pa-an (Batang) Highway—1,245 li (415 miles.)

Pa-an-Tehyung-Hali (southern Hsikang) Highway—800 li (267 miles.)

Pa-an-Chinghai Border Highway—2,300 li (767 miles.)

Kangting-Changu (Chamdo) Highway—900 li (300 miles.)

In compliance with the appeal of the people of Sikong, the Ministry of Communications has decided to take immediate measures for the development of the postal and telegraph services in Sikong. Postal service will first be established between Yunnan and Sikong. Later, post offices will also be

established in Kantzu, Lihua, and Teko, all in Sikong. A wireless station will be established shortly at Pa-an and another at Lihua. Plans for the inauguration of an air service between Sikong and Tibet are also under consideration.

Further hearing of the case of General Chin Shu-jen, formerly chairman of the Sinkiang Provincial Government, who is held at the Detention House of the Nanking District Court on charges of malfeasance in office, corruption and unauthorized conclusion of agreements with foreign powers. is scheduled to be held on October 19 by the Kiangsu Provincial High Court.

Interviewed, Liu Ching-shan, Director of the Northwesern branch of the N. E. C., said that the survey work in connection with river conservancy in Kansu province has been completed. Survey of the waterways in Ninghsia, now under way, is expected to be completed in the near future. A sum of $700,000 for conseervancy work—$500,000 of which is allotted for Kansu and $200,000 for Ningsia—has been secured and will be remitted as soon as the survey operations are consluded. With regard to the building of a highway linking up the two provinces of Kansu an Ninghsia, Mr. Liu said that an engineer has been sent to make a survey. Public health enterprises in the two provinces are proceeding apace, he added.

The National Economic Council will cooperate with the Shensi Provincial Government in the building of the projected Hanchung-Paiho Highway, across the southern part of Shensi province. According to an agreement recently reached between Shao Li-tzu, Chairman of the Shensi, and Chen Ti-cheng, Director of the Highway Bureau of the N. E. C., the Shensi Provincial Government will contribute 30 per cent and the National Economic Council 70 per cent of the construction expenses.

Train service from Weinan, the present terminus of the Lung-Hai Railway in eastern Shensi, to Lengkow, 40 li (13 miles) west of Weinan, was inaugurated September 26. The extension of the Lung-Hai line to Hsinfeng will be completed within a month.

Construction work on the eastern extension of the Lung-Hai Railway between Sinpu and Laoyao in North-eastern Kiangsu has been compleeted. Engineering operations on the road-beds, bridges and tunnels along the Taierchwang-Chaochwang branch of the line, in northern Kiangsu, are also nearing completion. A distance of 21 kilometers has already been laid with rails.

The Ninghsia provincial government is making preparations for the construction of a canal to assist in the irrigation system of the province. The canal will be 150 miles in length and 80 feet dept. It will traverse an undeveloped part of the province and its completion will turn most waste land into fertile fields.

The laying of rails from Kiehsiu to Linfen, Shansi, on the projected Tatung-puchow Railway will be started on October 10, National Independence Day. The Tatung-Puchow Line runs from northern to southern Shansi. The middle section between Taiyuan and Kiehsiu is already in operation and is doing good business. It is anticipated that, upon completion of the entire line, which totals 840 kilometers, a monthly profit of $1,500,000 may be counted upon. The Railway Administration is also planning to build branch lines in order to further develop railway communication in Shansi province.

Plans for the construction of the projected Central Railway Station at Nanking have been approved by the Ministry of Railways. Building operations will be immediately started so as to facilitate the early link-up of thee Nanking-Shanghai Railway nad the projecteed Nanking-Wuhu (Anhwei) Railway.

Canton Demands Freedom of Press and Speech

In pursuance of the recent circular telegram outlining its attitude toward the forthcoming Fifth National Congress of the Kuomintang, the South-west Kuomintang Executive Committee has issued another circular telegram, this time demanding freedom of the press and lifting of the censorship, as well as unfettered freedom of C.E.C. and Kuomintang members to make constructive suggestions with regard to national, Party and military affairs. The telegram is headed by Hu Han-min.

The Canton authorities believe that "Fascist" agents are active in Kwangtung, secretly spreading propaganda and organizing plots. Precautions against these subversive activities are being taken.

The Canton correspondent of the Nihon Dempo News Agency says the breach between Canton and Nanking is widening.

Bitter complaints against alleged oppressive methods of taxation have been made to the government by Canton Chinese merchants. In a petition submitted to the South-West Political Council the Canton City Chamber of Commerce requests the authorities to end the "oppressive and unwarranted" acts of the stamp tax collectors.

National River Conservancy Commission Created at Nanking

The 10th meeting of the Standing Committee of the National Economic Council was held at Nanking September 26 under the chairmanship of President Wang Ching-wei. Dr. H. H. Kung and T. V. Soong were present. The most important decision reached at the meeting was the creation of a National Water Conservancy Commission under the Council with an annual budget of six million dollars.

The total earnings of the various Government railways from through freight transportation during the eight months between Novermber, 1933, and June this year amounted to $13,154,873, according to statistics compiled by the Ministry of Railways. The total earnings of the Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railways for the month of August amounted to $1,866,239, including $1,316,134 from the Nanking-Shanghai line and $550,105 from the Shanghai-Hangchow-Ningpo line.

The double-tracking of the Shanghai-Nanziang section of the Railway will be started shortly. The work of widering the road bed between Shanghai and Nanziang was begun Oct. 1 and the double-tracking is expected to be compleeted by the end of this year. The distance between Shanghai and Nanziang is 17 miles.

Steps are now being taken by the authorities for conservancy work on the Woosung River between Shanghai and Soochow. The matter has been discussed at length by the representatives of the Shanghai City Government, Ministries of Interior, Communications and Finance, as well as the provincial government of Kiangsu and Chekiang. The expenses are estimated at $2,400,000 and the cost is to be borne by the different organizations concerned. It is understood that the Kiangsu Provincial Government has decided to appropriate $500,000 to meet the purpose while the other organizations are still considering the question.

The $16,000,000 loan borrowed jointly from the Chinesee banks by the Ministry of Railways, the Kiangsu and Chekiang Provincial Governments for the construction of a railway in Kiangsi between Yushan to Pinhsiang has already been consummated and the contract was signed Sept. 26. The loan is secured on the $24,000,000 worth of Reconstruction Bonds issued by the Ministry of Railways.

Negotiations for a loan of $2,500,000 from a Shanghai thee various Government railways are now under way. banking group for institution of the cold storage system along According to plans of the Ministry of Railways, cold storage plannts will first be built for thee four railways: Nanking-Shanghai, Shanghai-Hangchow-Ningpo, Tientsin-Pukow and Peiping-Liaoning lines. The project will be extended to other railway later.

After having spent some five months in studying the judicial systems of the various countries in Europe, Tan Chen, Vice-President of the Judicial Yuan of the Chinese Government, left France for China Sept. 30, according to a cable received at Nanking the cable further states that General Mao Pang-chu, formerly President of the Chinese Central Aviation Academy at Hangchow, who is now also visiting France, will leave Paris on October 3 for Warsaw to meet General Yu Pei-pang, Vice-Minister of Communications, and they will proceed together to Russia.

In communications to the Hupeh Provincial Government and the Hankow Municipal Government Sept. 26, the Hupeh Provincial Party Headquarters urged the authorities to take immediate steps to suppress the operation of the International Savings Society in that province. At the same time, a movement is now on foot on the part of the bondholders in the province to protect their vested interests in the Company and to boycott its future activities.

Recent Typhoon Results in Decision to Call Extra Session of Japanese Diet

A DECISION to call an extraordinary session of the Diet at the end of October was reached Sept. 27 at an informal meeting of four members of the Cabinet, Premier, Admiral K. Okada, Fumio Goto, Minister of the Interior, Chuji Machida, Minister of Commerce and Industry, and Takeji Tokonami, Minister of Communications. The decision was reached following a comprehensive report by Mr. Goto on his observations of the districts devastated by the recent typhoon. The Government will attempt to limit the term of the special session, probably to ten days, in order to reduce to the minimum discussion of questions not connected with the relief of the typhoon sufferers. In addition to this, agricultural and sericultural relief and the Government reforms in Kwantung are expected to be discussed at the extra session.

Bitter attacks upon the Government policies will be waged by the Seiyukai, majority party, at the exttaordinary session of the Diet, which is expected to be convoked on November 15, informed political observers predict. The Seiyukai Party, is expected to insist on immediate full relief for the areas affected by the typhoon and last summer's floods and drought. Seiyukai leaders have asked the Government on many occasion in the past to present a plan for agricultural and sericultural relief. The position leaders are also expected to direct their criticism against the proposed scheme of reorganization of Japanese administration in Manchuria.

A commission to investigate national policies, which was proposed recently by some of the Government leaders, will commence its activities soon after the coming extraordinary session of the Diet.

Finance Ministry Would Pare Down Huge Demands of Japanese Army

Another plan whereby the Japanese Army would spend Yen 200,000,000 over a period of years to strengthen the national defences was presented to the Ministry of Finance for study, Sept. 26. The final draft of the project was approved by the heads of various War Ministry departments the previous day and was later passed by General Senjuro Hayashi, the Minister of War. While the army authorities want to see part of this plan put into effect immediately, Ministry of Finance officials have already expressed firm opposition to any increased demands on the 1935-36 budget by the army. Acting under instructions from Shinshin Fujii, the Minister of Finance, Budget Bureau auditors are attempting to pare down the present war estimates of Yen 600,000,000 to Yen 200,000,000.

Typhoon Causes Congestion in Kobe Port

Port facilities at Osaka were paralyzed by the typhoon with the result that there was a congestion of cargoes at the Kobe Hatoba. A shortage of longshoremen was keenly felt, and their wages were raised to Yen 7 or Yen 8 a day. Lighter charges were also very high. Many shippers were obliged to pay 50 to 70 sen a ton against the usual average of 30 sen.

The tonnage stored at Customs sheds is also mounting. Against the normal quantity of 3,000 tons, the present quantity is put at over 10,000 tons. In order to increase the space, the Customs authorities are ordering iron goods, lumber and other articles that can stand rain to be stored outside the sheds. As regards cargoes damaged by sea water, it is now reported that approximately 80 per cent has already been removed.

Typhoon Boosts Trade in Steel Sheets

The Japan Iron Manufacturing Company has instructed its authorised agents to import 20,000 tons of steel sheets and galvanised sheets. This is intended partly to meet the demand created by the storm disaster and partly to make good the fall of production through the damage to steel works in Osaka and elsewhere. Simultaneously with the above action, the Company has decided to place on sale its stock of 80,000 sheets, and it will produce 1,000,000 sheets by not later than the middle of October.

Osaka Cotton Mills Hit by Typhoon

Osaka cotton and rayon spinners will be unable to live up to their contracts on foreign shipments because of damage to factories and to raw materials. Eighty-thousand bales of raw cotton, 700 bales cotton yarn, and 3,000 bales of rayon were ruined by water when godowns were flooded in the recent typhoon. The amount of damage sustained by various plants is estimated at Yen 300,000,000.

Yen Drops in Value Following Typhoon

There has been a fall in the exchange value of the yen as a result of the recent typhoon. Other factors which contributed to the drop of the exchange rate have been Japan's unfavorable trade balance and the commencement of export seasons in China and Manchukuo.

Japanese Trade Shows Favorable Balance for Last Ten Days of September

Japan's foreign trade in the third ten days of September showed a favourable trade balance of Yen 11,354,000. The exports totaled Yen 48,223,000 while imports reached Yen 37,869,000.

Trade Competition Need Not Mean Unfriendliness, Says Lord Barnby

Saying that the world seemed large enough to allow both Britain and Japan to prosper, Lord Barnby, on behalf of the F. B. I. mission which stopped over in Japan on its way to study trade possibilities in Manchukuo, replied to a speech of welcome made by the Foreign Minister, Mr. Hirota, at a banquet in Tokyo Sept. 28. He said he thought that although there must be competition there need be no lack of friendliness. Meanwhile, comment has been made by the *London Times* pointing out that Japanese competition is causing serious damage to Britain's commercial interests in the Far East.

Japan's Rapidly Increasing Birth Rate

Japan's population increased at the rate of 106 persons an hour during 1933, figures released by the Census Bureau Sept. 28 revealed. The excess of births over deaths was 927,266 during the year, showing a drop of 80,659 in the annual rate of increase.

Japanese Seamen Decide Not to Strike

Efforts at conciliation from both the Japan Seamen's Union and the three leading shipping companies has led to an amicable settlement of the prolonged dispute which on Sept. 29 threatened to tie-up all Japanese shipping. The Nippon Yusen Kaisha, Osaka Shosen Kaisha, and Kinkai Yusen Kaisha officials promised at a meeting of the joint maritime committee to consider the demands made by the Union, including those providing for an increase in pay and sea-duty allowances. The Union withdrew other demands concerning improvement of rations, increases in the minimum number of seamen aboard vessels, over-time pay, special pay for the engine-room crews, improved status for carpenters and other classes of seamen, and increases in year-end allowances.

Tokyo Traffic Strike to Be Resumed

An order to prepare for the resumption of the general strike was issued Sept. 30 by the Tokyo Traffic Workers' Union to its 10,000 members. The order also instructed the workers to find suitable premises to house them if and when the strike is declared. The general strike ended on Sept. 16, when the Metropolitan Police Board ordered the strikers to return to work, simultaneously providing for compulsory arbitration of the points of conflicts between the Union and the Municipality. Nine days of negotiations failed to bring the two parties to agreement.

Japanese Admiral Warns of Fuel Oil Shortage

Vice-Admiral Tosatsu Sakamoto, a retired Japanese naval officer, in a series of articles in the *Nippon Shimbun* dealing with the question of world petroleum supplies, deplores the fact that Japan is dependent upon outside sources for a large part of the fuel requirements of its navy.

New Nickel Refining Method Stated to Be Successful

The Showa Mining Company, affiliated with the Japan Electric Industry Company, until recently known as the Japan Iodine Company, has been investigating since about 1932 the possibility of undertaking nickel refining with sulphuric acidusing nickel ore as raw material. This ore is produced at the Natsume Mine in Hyogo Prefecture. A series of experiments have resulted in the probable success of this prospective industry, which has no parallel, according to *Rengo*.

Home Office Joins Farm Relief Move

The Japanese Home Ministry has joined the War Office and the Agriculture Ministry in the campaign for the full allotment of requested funds in the next fiscal year's budget for the relief of the agricultural population. The Home Office has requested Yen 43,000,000 for civil engineering undertakings to provide indirect farm relief, and Yen 29,000,000 for harbor and waterways improvement, but officials of the bureau understand the Finance Ministry plans to reduce the total granted to less than Yen 20,000,000. Aroused, the Home Office, according to the *Hochi*, is arranging to conduct negotiations in an attempt to gain the entire sum demanded. The War Office is aiding the Agriculture Ministry in its demands on the grounds that the patriotic spirit of the farmers must not be impaired by hardship.

Japan and Ethiopia to Exchange Ministers

The establishment of a Japanese legation in Ethiopia next spring has been tentatively decided by the Foreign Office.

Baron Sakatani, Japanese Ex-Cabinet Minister, Suggests Non-Aggression Pact With Soviets

Conclusion of a non-aggression treaty between Japan and Soviet Russia is suggested by Baron Yoshiro Sakatani as a simple and effective means of removing the war threat from the Asiatic continent. Baron Sakatani, former Cabinet Minister, former Mayor of Tokyo, and an outstanding exponent of and worker for international peace, makes the suggestion in an article on the international situation which he has written for "The Japan Advertiser."

Most important of the terms suggested for such a treaty by Baron Sakatani are mutual abandonment of defense works along the frontier between Manchukuo and Siberia, and withdrawal by each nation of its troops to a specified point. His article, entitled "Peace of Asia," follows :—

"THE question how can we best bring about the peace of Asia has been in my mind for some time, and I have been waiting for an opportune hour to answer that question. Since the U.S.S.R. joined and became a powerful member of the League of Nations, which I believe to be the greatest peace machinery human mind ever conceived, I feel the hour has now come for me to openly express my views on the subject in question and appeal to the statesmen of Japan and U.S.S.R. for their serious consideration of this important problem.

"As we examine the map of the world, we can observe that Europe, South America and Asia harbor, every one of them, the danger of a possible war in the future, while Africa, Australia and North America may be considered as a safety zone.

"For the time being, let us set aside the question of Europe and South America, and turn our attention to the peace problem of Asia. At first glance the problem seems to be hopelessly complicated, but in reality it presents itself as one easy solution.

"What appeals to every thinking man today is the risky relationship of three countries—Japan. Manchukuo and Soviet Russia. We cannot help but believe that this relationship is being more and more strained in these days, and the cause for this sombre situation is traceable to Russia's suspicion, ever since the Manchurian event, of Japan's encroachment upon the Far Eastern territory of Russia. When one sees that Russia is kept busy mobilizing her military forces to the Far East; constructing strong fortresses along the region bordering the boundary line between her and Manchukuo; and placing powerful aircraft and submarines in Vladivostok, it is quite natural for him to form an opinion that Russia is nervously preparing for a war. Looking at this ominous state of affairs, Japan and Manchukuo are tempted to believe that Russia may pounce on them at any moment and that they must be prepared for an emergency. Here it is clear that the minds of the peoples of the three countries are strongly tinged with distrust and suspicion which breed devilish phantasms and numerous calumnies. Under the circumstances, it is quite natural for outsiders to size up the situation as though a war in the Far East were imminent.

"Are we able to find any effective remedy for the improvement of the situation. We believe we can find one in forming a non-aggression treaty between the parties concerned—a treaty which was once proposed by Russia but to which the Foreign Ministry of Japan dissented as premature. We shall lay down the following conditions as the principles of a non-aggression treaty :

1. Mutually to abandon the defense works in the regions bordering the boundary line between the two countries of Russia and Manchukuo.

2. Russia shall withdraw all her troops to the west of Lake Baikal, except those that are necessary for the protection of the peace and order in the regions just mentioned.

3. Japan shall withdraw all her armies from Manchukuo proper, except those needed to safeguard Manchukuo and protect Jehol, and its vicinty bordering China.

4. Russia and Japan shall co-operate for their best interests to immunize the Japan Sea and Saghalien Island from the war menace in case either Japan or Russia is attacked by an outside country or countries.

"To conclude such a pact as above mentioned will be a simple matter, and yet benefits accruing therefrom to both nations will be immensely great. I well remember that happy relations between the two nations really existed after the Russo-Japanese War. As I was one of the Cabinet members of Prince Saionji after the war just referred to, I know what I am talking about.

"Indeed, the post-war relations between Japan and Russia were very cordial. Russia showed every courtesy to Japan. She Pot only faithfully fulfilled every condition laid down in the Portsmouth treaty, but also manifested good will to Japan in the Korean question later on.

Virtual Alliance Existed

"The most powerful figures of Russia in those days were Mr. Stolopin and Mr. Kokovtsev, whose policy for Russia was to look after her interests more in the West. Russia's policy toward the East under their leadership was nothing short of a Russo-Japanese alliance. I met gentlemen in the then capital of Russia in 1908. But after the revolution in Russia, the state of affairs completely changed. The first thing that happened was the complete shipwreck of international faith of Russia, followed by Red propaganda; by the necessity of Japan's sending her expeditionary troops to Siberia at the invitation of the United States of America, and by the deplorable event of the Nikolayevsky massacre. Thus the friendly relations between the two countries were damaged by various changes, going from bad to worse.

"So far as Japan was concerned, she never entertained any ambition detrimental to Siberia. If Japan sought any profit from Siberia, it was in connection with the question of fisheries, which was clearly defined by the treaty between the two countries, Japan enjoying her legitimate share. Therefore, if Russia casts away from her mind suspicion of Japan, and instead cherishes a sincere desire to form a non-aggression Pact with Japan, the relations of the three countries involved will be firmly establised in peace, which in turn will serve to win out the poisonous air of restlessness from the entire domain of Asia. This may not necessarily contribute to stabilization of the political turmoil in China, but China's difficulty is domestic, and it will not be hard to quell any international trouble from that side, even if it may occur.

"I have not a slightest doubt that, regardless of race or nationality, those who care for humanity; love peace; wish to save the millions of Japanese, Manchurians and Russians from the horrible bloodshed of war; intend to bring about the prosperity of the whole world; and earnestly seek to increase the happiness of the entire mankind, will endorse this, my view, here expressed."

What the Japanese Want the Visiting American Journalists to See

(Editorial in Fukuoka Nichi Nichi)

Relations between Japan and the United States are in no sense like those that prevailed between Britain and Germany before the World War. There exists nothing to bring them into economic or military conflict. If they reach an understanding, they can co-operate to stabilize world peace. Anything that is done to bring Japanese and American newspapermen together to exchange views is neither hypocritical nor pointless. Benefits are certain to result. Had something been attempted in this direction long ago, the misundersanding that developed over the Manchurian incident might never have happened, and the unnecessary stimulation of the nerves of Japan and the United States might have been avoided. Though somewht belated, the present venture will have a favorable effect on the solution of questions pending between the two countries, such as the naval issue, which are hindering, good relations. There is nothing to be concealed from the visitors, and Japan is ready to answer truthfully whatever questtions they have. We hope they will observe Japanese conditions to their hearts' content.

Tokyo Denies Existence of Anti-Japanese Move by China

A spokesman for the Japan Foreign Office Oct. 1 branded as "entirely groundless" the reports being widely published in the vernacular newspapers that the Chinese Government is formulating an anti-Japanese policy. According to these published stories, China is planning to co-operate with the principal western powers to check Japan's influence by means of Chinese diplomatic representatives abroad. "We cannot see any anti-Japanese movement developing in China," the Gaimusho spokesman said. "Japanese-Chinese relations are unchanged in every respect."

The spokesman said that latest reports from South China indicated that the Canton authorities have reached a non-aggression agreement with the Communist armies, which have agreed not to molest Canton and abandon their military campaign in southern Kiangsi Province. He said that reports indicated Canton is not co-operating with Nanking but is formulating its own programs, designed to protect the city from the Communists and strengthen Canton's position in many other respects.

Turning to the situation in Manchukuo, the spokesman discussed the reported attack by Soviet Guards upon a party of Japanese. He said he understood that the Soviets fired on a Japanese surveying party on the lower Amur basin. The Japanese Guards accompanying the surveyors returned the rifle fire but nobody was injured. The Japanese diplomatic representatives in Harbin have protested to the Soviet Government and an investigation into the incident is now being made, he said.

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China Imports of Cosmetics Valued at $1,155,117 During Eight Months

The total value of cosmetics imported January to August this year amounts to $1,155,117 showing an increase of $70,000 to the corresponding period last year, according to statistics issued by the Custom House. The total amount imported to Shanghai is $873,999 which is approximately 70 percent of the total value of the luxuries imported. The importing figure for August this year is $148,977 out of which Shanghai occupies 80 percent. Of the importing countries, the United States ranks first; France, second; England, third; and Japan, fourth in point of amount imported.

Chinese Merchants Ask Customs House to Purchase Local Coal

The Shanghai City Chamber of Commerce, in a petition to the Ministry of Finance, requests that the Custom House at Shanghai be instructed to purchase native coal exclusively for use on Customs cruisers and launches. The petition states that according to information received by the Shanghai Coal Merchants' Guild, the Shanghai Custom House is contemplating the purchase of a large quantity of French coal for use on Customs vessels. The value of the imported coal, it is reported, is roughly estimated at over $780,000. The petition says that thus a serious blow would be dealt the native coal industry.

National Water Conservancy Commission Is Created

The most important decision reached at the meeting of the Standing Committee of the National Economic Council last week at Nanking was the creation of a National Water Conservancy Commission, declared T. V. Soong, leading member. Mr. Soong pointed out that the measure was considered necessary in order to unify the control and direction of river conservancy works throughout the country. The Commission will consist of three members with Dr. H. H. Kung, Minister of Finance, serving concurrently as Chairman. It will function under the direction of the National Economic Council and its budget of expenditure has been fixed at $6,000,000 a year.

Huge Revenue Secured from Tobacco

The annual tobacco taxes collected from various provinces of China by the Finance Department aggregate about $400,000,000, according to information obtained from the Consolidated Tax Division of the Customs Administration. This figure does not include the money the revenue authorities have failed to collect through smuggling and evasion by tobacco dealers.

$16,000,000 Construction Loan Concluded for New Railway in Kiangsi

Following the conclusion of the $16,000,000 loan project with a local Chinese banking syndicate, the Ministry of Railways together with the Kiangsu and Chekiang Provincial Governments, is to begin construction of the Yushan-Pinghsiang Railway which will link Chekiang and Kiangsi. It is understood that the section between Nanchang and Yushan will be constructed first. According to arrangements made between the syndicate and the Chinese authorities, the first issue of the Railway Construction Bonds and the $12,000,000 worth of Yuping Railway Bonds have been pledged as security for the project. Half of the amount will be advanced in cash by the syndicate, while the other $8,000,000 will be in railway material to be supplied by the German firm, Messrs. Otto Wolff.

New Sincere Perfumery Factory Is Opened in Shanghai

The newly constructed Sincere's perfumery factory, modern in every respect, located, at Moji Road near Markham Road, Shanghai, was officially opened October 4 in the presence of Ma Ying-piu, managing director of the Company, and other company officials who came up from Hongkong for the event. The old factory, which has been producing well-known toilet waters, cosmetics and perfumery, in Ward Road, is being abandoned.

Chinese Overseas Are Discriminated Against Everywhere, Not Only in Japan

BY C. Y. W. MENG (孟 昭 渭)

RECENTLY, about 100 Chinese were ordered to be deported by the order of the Tokyo Government, 73 of them have already arrived at Shanghai; 15 of them were reported to have been so seriously wounded by the Japanese police that they had to be rushed to the Japanese hospital for treatment before they could return to their Motherland.

Japan, through their diplomatic officials in China, gave, of course, many causes to justify her action. China, on her part, had also lodged a protest with the Tokyo Foreign Office, the full text of which has not yet been published. But the report has it that the Chinese protest, aside from giving a list of names of the deported Chinese together with the loss of their property, and reserving the right to demand compensation, is said to have pointed out that "China could not but consider the incident as a very unfortunate occurrence a matter of serious consequence which had occurred just in the time when the Sino-Japanese have greatly been improved!" The Island Empire has invaded and occupied four of our biggest provinces, and has not yet returned to us a single inch of our "lost territory," yet the Chinese authorities still claim that the "Sino-Japanese relations have been greatly improved!"

The deportation of 100 Chinese, when compared with the massacre of more than 1,000 Chinese in Korea with the connivance of the Japanese authorities, which occurred just before the Mukden Incident on the fatal night of September 18, 1931, is comparatively a small matter. If we will further make a study of the present condition of the Chinese overseas in other places in the world, we will find that the Chinese are always being discriminated against and "ill-treated" everywhere; and are constantly being deported without any justification on the part of the authorities. In fact, the deportation and elimination of the Chinese immigrants and restriction of their activities in foreign lands have always been the principal policy of every foreign government towards Chinese overseas. The Islanders are not the only ones who act thus against Chinese.

Before the establishment of the National Government in Nanking, China paid no attention to the welfare of the Chinese overseas. Unlike in foreign countries, much attention has been paid to the overseas affairs, and the colonial ministry constitutes one of the independent departments in the government, as it is the case with the Japanese Government, etc., the matter of this category in China comes under the Ministry of Foreign Affairs. Only after the establishment of the National Government, China has established an independent office, known as "The Chinese Overseas Affairs Committee" to take charge of the overseas affairs; and only until very recently that we have the first rough table showing the number of the Chinese overseas in different places. For information purposes, we produce the table below: (the table being roughly translated by the writer of this article.)

Number of Chinese Abroad

NAMES OF COUNTRIES	TIME OF INVESTIGATION	TOTAL NUMBER	NAMES OF COUNTRIES	TIME OF INVESTIGATION	TOTAL NUMBER
U.S.A.	1930	74,954	Negri Sembilang, F.M.S.	1931	92,371
Dominion of Canada	1932	42,100	Palang, F.M.S.	1931	52,291
Peru	1932	5,704	Johore	1931	215,076
Chile	1933	2,700	Kedak	1931	78,415
Brazil	1931	820	Kelantan	1931	17,612
Argentina	1931	600	Trenggarn	1931	13,254
Columbia	1933	1,000	Perlis	1931	6,500
Venezuela	1929	2,826	Brunei	1931	2,683
George town	1930	2,300	North Borneo		75,000
Mexico	1930-1	25,000	Dutch East India	1930	1,232,650
Guatemala	1931	3,000	Java Madura	1930	682,154
San Salvador	1931	1,000	Sumatra	1930	447,576
Nicaragua	1931	1,000	Borneo	1930	135,425
Panama	1933	4,400	Celebes	1930	41,391
Cuba	1932	35,000	Samarang	1930	27,451
Dominican Republic	1932	400	Sourabaya	1930	38,797
Jamaica	1932	1,000	Palembay	1930	18,851
Hawaiian Islands	1930	27,179	Medan	1930	27,180
Samoa	1929	1,200	Macassar	1930	15,285
Tahiti	1930	5,000	Timor Dili	1932	3.500
Philippine Islands	1931	110,500	Great Britain	1932	8,000
Madagascar, Mauritius, Reunion		5,000 (about)	France	1931	17,000
			Spain	1930	90
			Portugal	1929	1,200
			Holland	1932	8,000
			Belgium	1932	550
			Luxemburg	1920	52
Australia	1931	15,500	Germany	1932	1,800
New Zealand	1932	2,854	Poland	1931	193
New Guinea	1932	2,000	Czechoslovakia	1932	250
South Africa	1933	4,500	Austria	1929	98
Johannesburg	1933	1,850	Hungary	1929	49
Port Elizabeth	1933	800	Switzerland	1933	249
Kimberley	1933	200	Rumania	1932	4
East London	1933	200	Bulgaria	1932	7
Durban	1933	150	Yugoslavia	1929	37
Japan	1932-33	20,074	Turkey	1920	7,000
Formosa	1930	46,691	Sweden	1932	13
Korea	1933	41,303	Norway	1930	3
Burma	1931	193,598	Denmark	1922	900
Annam	1933	381,417	U.S.S.R. (Asia)		250,000
India	1931	15,000	U.S.S.R. (Europe)		1,500
Siam		2,500,000 (about)	Finland	1928	11
			Lithuania	1928	7
Straits Settlements	1931	1,709,392	Latvia	1928	2
Singapore, S.S.	1931	421,821	Estonia	1928	3
Penang, S.S.	1931	176,518	Italy	1932	274
Malacca, S.S.	1931	65,199	Egypt	1933	75
Perak, F.M.S.	1931	1,125,527	Hongkong	1933	825,645
Selangor, F.M.S.	1931	241,351	Macao		119,875

The above table is by no means complete, as the investigation of the present condition of the Chinese overseas in many places is still going on.—Males everywhere predominate in proportions of 2 to 1 or 3 to 1.

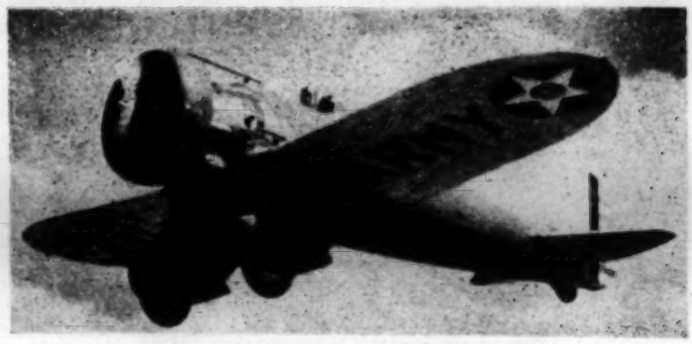
Discriminative Regulations and Cruel Treatment Take Many Forms

Below are related some of the many discriminative regulations and cruel treatments of Chinese in the foreign lands. These regulations or laws are being enforced either expressly and solely for elimination and restriction of Chinese immigration and Chinese their activities, or are being enforced, in name, to be applied to all foreign immigrants, but in fact, to the Chinese only. They are:—

American States:

1. The Regulations for Restricting the Immigration of the Chinese into Panama of 1930.
2. The Mexican Immigration Law of 161 Articles of 1930.
3. The Cuban Prohibition Order for Restricting the Immigration of the Chinese into Cuba, promulated by the Presidential Mandate, numbered 570, and 53 of 1932.
4. The new Cuban Regulations governing the Registration of the Immigrants, of 1932.
5. The Canadian Anti-Chinese Immigration Law of 43 Articles.
6. The American Anti-Chinese Immigration Law of 1930.
7. The American Regulations governing the Landing of Passengers from the Ear East, promulgated by the Bureau of Public Health of the Ministry of Finance of 1929.
8. The New Nicaraguan Immigration Law, probibiting the Landing of the Chinese, Turks, etc., of 1930.
9. The Ecuadorean Parliamentary Act Prohibiting the Immigration of Chinese, of 1899.
10. The new Guatemalan Anti-Chinese Immigration Law of 1930, treating the Chinese as "negroes."
11. The Argentinan Anti-Chinese Regulations.
12. The Salvadorean Anti-Chinese Regulations.
13. The Chilean Regulations for Restricting Immigration of the Chinese.
14. The Santo Domingoan Anti-Chinese Immigration Law of 1933.
15. The Surinam anti-Chinese Immigration Law.
16. The Peruan Regulations governing the Registration of Immigrants.
17. The American Regulations Prohibiting the Chinese students to work during the spare time.

A WASP WITH A STING!



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Pacific Islands:

1. The Tahitian Regulations Restricting the Immigration of Chinese.
2. The Regulations for the Treatment of Laborers in Samoa Islands.

Asiatic Countries:

1. The Regulations governing the Registration of Chinese Schools of 1926 in Singapore, Penang and Malacca.
2. The Anti-Chinese Labor Immigration Law of 1929 in British Straits Settlements.
3. Regulations governming the Issuance of Certificates of 1932, aiming at the Elimination of the Chinese laborers in the Straits Settlements.
4. The Regulations governing the Landing of Immigrants of 1932 in the Straits Statements.
5. Revised Social Regulations of 1931 in the Straits Settlements aiming at the closing and sealing of the Headquarters of the Kuomintang and Curtailing the activities of its members in the Straits Settlements.
6. The Anti-Private School Regulations of 1933 in Dutch East Indies.
7. The Regulations Governing the Landing and Residence of Immigrants in the Dutch East Indies.
8. The Special Regulations governing the Landing of Laborers into the Dutch East Indies.
9. The Police Regulation giving the Rights of the Local Authorities to detain the Chinese accused for three months, irrespective whether the accused is innocent or guilty in the Dutch East Indies.
10. The Regulations governing the Disposal of Property of the deceased in the Dutch East Indies.
11. The many Discriminative Regulations and Treatments accorded to the Chinese by the Annam authorities, such as, "Poll Tax," "Business Tax," "Transit Tax," Requirement of "figure prints" on Certificates, and the Requirement of "Landing Certificate."
12. The Regulations governing the Employment of Teachers in Schools with particular reference of the Employment of the Teachers in Annam (see Section 2 of Article 3 of the Regulations).
13. The Enforcement of the Bookkeeping Law in "French language" in 1930 by the Annam Government.
14. The Revised Immigration Regulations and the New Press Regulations of 1931 in Siam.
15. The Regulations governing the Examination of Chinese Teachers in Siam.
16. The Regulations governing the Registration of Chinese Schools in Siam.
17. The Regulations governing the Use of the Text Books in Schools, the use of the textbooks on "3-People Principles of Dr. Sun Yut-sen" being prohibited.
18. The Anti-Contribution Campaign Regulations in Siam, which prevent the Chinese overseas in Siam from sending money to China.
19. The New Bookkeeping Law of 1926 in Philippine Islands.
20. The Regulations Restricting the Immigration of Chinese into the P.I.
21. The Anti-Chinese Labor Law in Japan.

Australia:

1. The Regulations Restricting the Immigration of Chinese into New Zealand of 1908, since 1927 only 100 Chinese being permitted to enter New Zealand.
2. The Regulations requiring the Chinese in New Zealand, (no less than 2,500 in number) to reside only within designated place no more than four square miles in area.
3. The Regulations governing the Entrance of the Chinese Students into Australia.

South Africa:

The many discriminative and racial regulations and treatments, such as that of 1908 and 1932 which have as their aim the elimination of the Chinese and Turks.

Some Impressions

From our brief study, we find that no less than ten million Chinese are living in foreign lands. Among these, 2,500,000 are in Siam; 1,800,000 in Malay Islands; 1,230,000 in the Dutch East Indies.

But, according to the official statistics and reports collected by the Chinese Overseas Affairs Committee, up to the year 1933, there are altogether no less than "117 discriminative regulations or laws" being enforced by the foreign governments against the Chinese. Among them, Siam has 17; Guatemala 10; Dutch East Indies 9; Cuba 9; Philippine Islands 8; America 6, and Japan 5. That is to say, just to speak of Siam, the Malay Islands, and Dutch East Indies alone, already about six million Chinese are being "cruelly treated" by the foreign authorities!

But, strange to relate that in a country where more than a million Chinese are residing and doing business, China has not yet taken definite steps to conclude a commercial treaty with that country to regulate the friendly and commercial intercourse between the two people, and to establish consulates to look after

the welfare of the Chinese there. Though repeated petitions have been sent to the National Government urging the early conclusion of a commercial treaty with Siam, up to now, as far as our information goes, the matter is still pending.

As regards some countries to which China has already concluded commercial agreements, such as with Annam, China never has taken steps to establish consulates in that country to look after the interests of the Chinese residents there. Thus, we can easily see that in all these countries, millions of the Chinese overseas are at the mercy of the foreign authorities! They are being "cruelly treated," yet the Nanking Government may not know anything about it!

"Ministry of Overseas Affairs" Suggested

So we hope that the National Government will take more decisive steps to protect the Chinese abroad. The present Chinese Overseas Affairs Committee may well be re-organized into the Ministry of Overseas Affairs, so that matters of this kind would be handled more efficiently by the new Ministry rather than by the Ministry of Foreign Affairs. More commercial treaties should be concluded with the countries where the Chinese are living and doing business, and more consulates should be established to look after the Chinese welfare there.

Nanking, Sept. 27, 1934.

Japan's Naval Aims as Told to University Professor

Professor Lory, of Stanford University, when Tokyo, recently visited Mr. Hirota, the Foreign Minister, General Hayashi, Minister for War, and Admiral Osumi, Minister of the Navy, to seek information and exchange views on diplomatic relations between Japan, Manchukuo and Soviet Russia and on the disarmament problem.

The *Hochi* gives the more interesting part of his conversations with the Navy Minister as follows :—

Does Japan feel insecurity under the present naval ratios?

Under the present arrangement, the American navy can possess the same fighting capacity as the Japanese navy after it has come all the way to the Far East. On the contrary, the Japanese navy, if it is sent to the seas near America, will be so reduced in its fighting capacity that its proportion to the American navy will become 1 to 5. Thus, it will be seen that whereas the American navy can maintain an "aggressive" equality with the Japanese navy, the Japanese can possess only a "defensive" equality. It would be surprising if this did not cause uneasiness to the Japanese mind.

In the event of no agreement being reached at the forthcoming Disarmament Conference, Britian and America may embark on big naval building program by utilizing their superior shipbuilding capacity. Would not such an eventuality put Japan in a position more unfavorable than she is under the present ratios?

What may happen in future is mere supposition, and it starts from the hypothesis that once the Disarmament Conference fails, peace-loving countries will immediately be converted into warlike nations. Things have changed since the Washington and the London Conferences, and past arrangements must be so revised as to accord with the changed situation. I want to ask you to remember that prior to the conclusion of the existing treaties, Japan had never felt any menace from the British or the American navy.

Japan claims an equal ratio, but America is not likely to concede Japan's demand. If this is what is to happen at the Disarmanent Conference next year, is it not wiser not to hold the Conference at all? It is to be feared that failure of the Conference may render the situation worse.

I believe that the love for peace and regard for reason will check such a destructive tendency. I have no doubt that the proposals which Japan is going to make will command the respect of those who love peace, and who stand for justice and fairness. Japan's proposals are of a nature which ensure absolute security for each and all of the Powers concerned. Japan is going to enter the forthcoming Conference with a fervent and sincere faith and desire to promote world peace. Her motto is to eliminate the sense of insecurity everywhere. True peace is impossible if even a single country lives in fear of attack.

Is it Japan's intention to attain equality of ratio by increasing her tonnage, on the one hand, and by reducing that of Britain and America, on the other?

No, that is not the case. Such a process would mean an expansion on Japan's part. Japan desires disarmament in an absolute sense. She wants all Powers to reduce their respective armaments. This makes it inevitable that the heavier-armed Powers should make bigger sacrifices.

At the conclusion of the interview, says the *Hochi*, Professor Lory admitted that Admiral Osumi's statement showed the Japanese point of view to be very reasonable. He said he must, however, reserve judgment on the Japanese claims as he has not been apprised of the details, but judging from the Navy Minister's explanation, he felt confident that they will certainly gain the sympathetic hearing of the Powers.

Gen. Smedley Butler Denounces War as a Racket

Denouncing war as the most vicious "racket" known to man and warning that the world is preparing for another war, Major Gen. Smedley D. Butler, U.S. Marine Corps, retired, (formerly in command in North China) in an article in the September issue of *Forum*, suggests the conscription of capital and capitalists as "a way to stop this racket."

"For long years I have known that war is a racket, but I never faced it until I saw the clouds gathering again, as they are today," General Butler writes. "They are choosing sides now. France and Russia meet and agree to stand side by side. Gremany and Italy hurry to make a similar agreement.

"In the Orient the maneuvering is more adroit. Now the trend is to poison us against the Japanese. What does China's open door policy mean to us? Or the Philippine Islands? Our trade with China is about $90,000,000 a year. We have spent about $600,000,000 in the Philippines in thirty-five years and we have private investments there of less than $200,000,000.

"To save that China trade of about $90,000,000 or to protect the private investments of less than $200,000,000 in the Philippines we may be roused to hate Japan and to go to war—to a war that may cost us tens of billions of dollars, hundreds of thousands of the lives of Americans and many more hundreds of thousands of physically maimed and mentally unbalanced young men.

"War, like any other racket, pays high dividends to the very few. But what does it profit the masses?"

It would be far cheaper, he answers, as well as safer, for the average American "to stay out of foreign entanglements."

"The cost of operations is always transferred to the people, who do not profit," General Butler declared.

Extravagant Weddings and Funerals Are Frowned Upon

Weddings, funerals and birthday anniversaries are decreed "no occasion for elaborate and expensive banquets" by Wang Ching-wei, president of the Executive Yuan. In a set of 13 regulations doing away with extravagance in weddings, funerals and birthday parties for observation by all members of the government offices' staff announced at Nanking Sept. 21, it was pointed out such traditional practices are incompatible with the trend of economic retrenchment and should be abolished forthwith so that the money thus foolishly spent may be devoted to constructive enterprises.

October 10 to Be Observed Quietly

Preparations are being made by the Chinese community in Shanghai to celebrate the National Day on October 10, anniversary of the uprising in Wuchang which eventually resulted in the overthrow of the monarchical government in 1911. According to present plans, the celebration will be started with a flag-raising ceremony. A ceremony will then follow under auspices of the City Kuomintang.

The Shanghai City Government will celebrate the occasion with ceremonies to be presided over by Mayor Wu Teh-chen. Mayor Wu will review the members of the Peace Preservation Corps in the Civic Centre in Kiangwan. The General Labor Union has tentatively decided that a parade should be held in Nantao to commemorate the day. All local Chinese newspapers are preparing to publish special supplements.

Japanese Hold Young Korean Suspect Incommunicado

A young Korean named Chang Yuen-hsiu, believed to be one of the many members of the Korean Nationalist Party living in exile in Shanghai, was placed under arrest in the French Concession Sept. 22 by Japanese consular police, aided by police of the French Concession, and is being held incommunicado by the Japanese authorities. Four Japanese in plain-clothes, members of the Japanese consular police force, drove up to the house he occupied in Route Vallon in a motor-car, accompanied by a Chinese detective of the French Municipal Police, arrested the young man, and drove off with him.

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China Protests to United States on Silver Policy

Dr. Alfred Sze, Chinese Minister in Washington, last week delivered a note to the Washington government which, according to report, deals vigorously with the silver purchase policy of the United States and the recent rapid rise of the price of silver in the world markets, attributed to the U. S. Treasury buying. The note points out that the rising price of silver is deflating China's currency and is understood to assert flatly that such deflation cannot be permitted by the Chinese Government. The Chinese note strongly hints that China may follow the recommendations of the Kemmerer Commission and adopt the gold standard, with the new currency thus created based upon a ratio of five to one with the present U.S. dollar. Such a step, the note is said to indicate, would be taken as a measure of self-defense by China. It is further understood that the note advances the suggestion that the United States purchase China's entire vast stock of silver and pay for it in gold bullion.

In the event this proposal should be accepted by the United States the view was expressed in Washington that the Chinese Government might place an embargo upon the export of silver from China, which would tend to fix the price of the white metal in this country and make it possible for the Chinese Government to take over all private silver holdings.

In the course of an interview last week Dr. Kung, Minister of Finance, again denied that any embargo on silver was contemplated.

£2,000,000 Worth of Silver Reaches England

The largest cargo of bar silver ever shipped out of China arrived safetly in England Sept. 28 on the s.s. *Ranpura*. The shipment, valued at 2,000,000 pounds sterling, was unloaded at Tilbury Docks.

New York "Herald-Tribune" Ridicules U.S. Silver Purchase Law

The New York *Herald-Tribune* ridicules the silver purchase plan, saying that when the history of the present period of monetary experimentation is written, no chapter will emerge quite as ludicrous as the Silver Purchase Law. It says that if China should decide to demonetize silver "a final touch of irony would be added."

O. J. Todd Makes Report on Famine Relief Engineering Work

O. J. Todd, chief engineer of the China International Famine Relief Commission, in a report issued last week stated that the Wei Pei irrigation project (now known as Kinghueichu) north of Sian was completed at an expenditure of $1,300,000, of which over $750,000 was contributed by the China International Famine Relief Commission. Farmlands watered by this project have now trebled in value. Principal attention is now being directed to the Fen Ho conservancy scheme in Shansi. Surveys of four other rivers aside from the Fen Ho have been made. The Fen Ho project will require $12,700,000 of which $8,000,000 is for flood control while nearly $5,000,000 is for irrigation, which will insure crops in dry years and increase crop production in ordinary years. If carried out, this project would bring inestimable benefit to the entire province and improve the livelihood of more than 20,000,000 people. Studies of the power development project at the Yellow River falls on the Shansi-Shensi border are being made under the direction of the China International Famine Relief Commission engineers. The reclamation of the Hotao district west of Paotwo, Suiyuan, requires surveys costing $40,000 or more. This project, if carried out, would irrigate 6,000,000 mow of land suitable for farming. Mr. Todd states that the numerous opportunities await proper engineering study and action. It is not only in irrigation and conservancy projects but also in road building, flood control and many other famine prevention activities that engineers such as those trained by the China International Famine Relief Commission are badly needed today.

Gen. Teng Executed by Japanese as a Chief of Volunteers

General Teng Teh-mei, one of the few Chinese volunteers operating in Manchuria who was captured at Antung by Japanese-Manchukuo forces, has been executed by the Japanese military authorities at Shenpang, Chinese reports from Peiping state. The execution is said to have been carried out with the utmost secrecy. In an official announcement General Teng's death is attributed to an attack of pneumonia, the Chinese reports persist.

Captured about six months ago when he was betrayed by a woman at Antung, General Teng had refused to surrender despite offers to several important posts. Several attempts are said to have been made by his followers to obtain his release and all of the plots proved to be futile.

"Squeeze" in Munition Deals

BY PAUL K. WHANG (黃 仲 芳)

IN their inquiry into the "commerce of death," munition making, the special U. S. Senate Committee headed by Senator Gerald Nye promised to reveal us something startling and sensational. This promise aroused our interests to such a high pitch, that we of our own accord turned our eyes to Washington and awaited anxiously the promised revelations. After a first few hearings, the details of which were given wide publicity everywhere, the investigators unfortunately drew fire from the heads of many governments and have since conducted their hearings in camera. But enough light has already been shed upon the baneful influence exercised by munition manufacturers over the whole world, and many allegations have also been made to the embarrassment of the officials of many countries including those of China.

China has been faced with two charges. First, the Chinese Government diverted the U.S. Wheat and Cotton Loan for the purchase of guns and aircraft, and secondly, the Dupont de Nemours Corporation paid "squeeze" to high Chinese military officers in 1932 in order to complete a huge munition deal. The first charge has already been answered by Dr. H. H. Kung, Minister of Finance; and unless substantial evidences can be produced to prove to the contrary, we are content to accept Dr. Kung's words at their face value. In this connection, it will not be out of place to mention that this is an old harp habitually played by Japanese propagandists for discrediting the Chinese Government. In the course of the inquiry, Senator Nye himself declared that Japanese official circles contended that the loan for wheat had actually been converted later for the purpose of buying munitions. From this assertion, it can be easily inferred that in making this allegation, Senator Nye and his fellow members on the Inquiry Committee must have played into the Japanese hands.

Honor of Chinese Officialdom Involved

The second charge is more serious in nature, because it involves the honor of Chinese officiadom as a whole. It is, therefore, only natural that General Chiang Kai-shek, chairman of the Military Affairs Commission, and Wang Ching-wei, president of the Executive Yuan, have wired to Dr. Alfred Sze, Chinese Minister to the United States, instructing him to request through the State Department that Senator Nye should publicly announce the names of the Chinese officials who were alleged to have accepted commissions in munition deals. Unless the names of the officials thus implicated are given, a vague charge such as this would cast a slur upon the good name of the whole of Chinese officialdom, create a wrong impression among our friends and give food for propaganda to our enemies.

While we heartily endorse the noble motives of the special U. S. Senate Committee in conducting their inquiry into the munition industry, we, however, can not help critisizing their methods of handling the inquiry. If they are determined to reveal the bug under the chip for the general good of the world, they should leave nothing untold to the public in spite of the protests from many governments, so that what they have partially or distortedly disclosed will not be misinterpreted and misunderstood. Therefore it is far from being a good policy that they should make any hasty statements and allegations reflecting upon the honor of other countries without in the meantime furnishing substantial evidence. Neither should it be considered as a wise move that any charges should be made to implicate certain officials of a foreign government without in the meantime disclosing their names.

The vague allegations, of course, carry no weight. But when the allegations have been made by a high official committee of a foreign government, they can not be passed over in silence. Unless these investigators, in response to the request of the Chinese Government, can produce the names of the military officials thus implicated, their allegations can not but be construed as libelling the Chinese Government. In order to repair the damage, they must retract their allegations and offer apologies to the Chinese Government into the bargain.

It is also a curious move that the Nanking Government should impose a censorship ban on reports of U.S. senatorial munition inquiry allegations, and that the ban was not lifted until the officials were well assured that no further startling disclosures would be made. This ban, as a matter of fact, can not prevent the Chinese people from learning the news, when the findings were fully published in the press of other countries as well as in the foreign press in China. This "hush-hush" policy has only caused the Chinese people to lend their belief to the allegations and arouse their suspicion over the good conduct of Chinese officers. If the allegations are as false and ungrounded as the government leaders have declared, then even more publicity should be given to this case, so that not the slightest misconception should be entertained by the general public.

Our feeling is not at all exacerbated by such allegations, because we are not oblivious of the fact that in China as well as in other countries there are indeed such unscrupulous officials who will stoop so low as to enrich themselves while handling munition transactions. We have been frequently informed that large commissions have been paid to those who, by means of their official influence, have successfully concluded big munition deals between the Chinese Government and foreign munition manufacturers. But never on one single occasion have we been told the names of those unscrupulous officials. It is the wish of both the responsible government leaders and the people that if we have such officials in our midst, their identity must be pointed to us, so that we can hunt them down and bring them to book.

"Squeeze" Not Confined to China

It must be said that "squeeze" by official middlemen in munition deals is not a monopolized evil of the Chinese Government. In the course of the inquiry made by the U.S. Senate Committee, the vice-president of Electric Boat Company declared that "in order to get business in South America you had to grease the ways." Moreover, it is an open secret that the offer of bribery is a common practice for securing munition contracts in Japan and many other countries. Therefore the allegation that certain Chinese military officers accepted commissions from the American munition manufacturers can not offend us; what we strongly object to is the fact that they supply us no names of these military officers.

Munition manufacturers, as we are told, know no business depression. While all the other industries have curtailed their productions, the munition industry has been working overtime and reaping huge profits. Mr. DuPont, chairman of the Board of E.I. DuPont de Nemours, told the special U.S. Senate Committee that during the four years of the World War, his company paid to its officers bonuses totalling in excess of $17,000,000, in addition to regular and extra dividends on their stock and their substantial salaries.

Huge Profits from Munitions

The fact that they can earn huge profits has enabled them to offer large commissions to the official middlemen who can manage to secure for them munition contracts. Here in Shanghai, we have been told that there are many representatives of foreign munition manufacturers who are ever ready to "purchase" the official assistance. That the transactions have been carried on and concluded in secrecy have made the "squeeze" all the more feasible without being known to the public. The temptations have been so attractive, that the officials without having high principles are likely to be their dupes. The readiness on the part of munition manufacturers to use their easily earned money as a bait for contracts and the weakness on the part of many of the government officials to overcome the temptations have been both responsible for the universal practice of "squeezing" in munition deals.

China has the biggest standing army in the world, but to arm this mammoth army, she has to get every description of armaments from foreign sources, because she has not yet had any modern arsenals. Therefore China becomes a big market for foreign munition manufacturers. This condition coupled with the fact that China is known as the hotbed of civil wars had made the Chinese market all the more attractive, because various military leaders, in equipping their personal army, have spent lavishly in securing foreign munitions. As all the munition transactions have been made in secrecy, we have no way to find out the amount of money China has thus squandered every year. But that the foreign munition manufacturers and Chinese official middlemen have

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reaped enormous profits from Chinese business is a matter of certainty.

Following the American example, the Chinese Government should also form a special committee to make investigations into the munition deals transacted in the past few years. If a detailed investigation can be conducted without let and hindrance from any political quarter, we can possibly bring to earth many informations which our responsible government leaders appear to be very anxious to know. It must be acknowledged that as long as the present practice of conducting the munition deals in secrecy continues, we can not find effective means to check the malpractices perpetrated by the official middlemen.

Shanghai, Oct. 1, 1934.

"Whither China?"

(Editorial in the Sin Wen Pao,—one of the two leading Chinese daily newspapers in Shanghai).

"China has failed to be re-elected to the non-permanent seat on the League Council for the next term and she is now wondering which country is really her friend. China today is at the cross-roads. The Government has not yet made up its mind as what will be the next step to take.

"This is nothing but the natural result of the Government's wavering diplomatic policy.

An Important Change

"Since Soviet Russia's entrance into the League of Nations the political situation in eastern Europe has undergone an important change. Germany seems to have adopted a new foreign policy to cope with the situation.

"Soviet Russia has made it clear at Geneva that under no conditions will she change her policy. Russia has no love for any one of the European countries but she joined the League just to postpone the crisis so as to give her time to accomplish her second five-year plan. France is trying her best to make friends with Soviet Russia because she wants her to be a threat to Germany on the east in case of another outbreak in Europe. For this purpose France did her best to induce Soviet Russia to join the Geneva organization. So Soviet participation in the League is not a simple affair; serious international complications are behind the movement.

Britain on the Decline

"Great Britain's dominating position in Europe is on the decline and she is now extending a friendly hand to the United States. At the same time she is cultivating the friendship of Japan. When the East Europe Protocol was first suggested Great Britain was one of the first Powers to support it. Naturally Great Britain has no intention to promote friendly relations between France and Soviet Russia.

"What she is aiming at is to give a hint to both the United States and to Japan. No sooner was mention of the East Europe Protocol in the air than rumors of a renewal of the Anglo-Japanese Alliance were revived. The United States at first refused to believe in these reports but later she also became skeptical about it.

A Simple Reason

"The reason is simple. All three countries exercise considerable influence on the Pacific and they do not want another Power to step in. It is our firm conviction that a war on the Pacific between the United States and Japan is still remote but Great Britain, the United States and Japan have to maintain their balance of power on the Pacific and if necessary they would divide up the Pacific into spheres of influence. They cannot upset the balance of power because of their own interests. So long as that power is maintained a war is unthinkable.

"The visit of a British industrial group to Manchuria, the visit of American journalists to Japan and the decision of the Japanese Foreign Minister to send special envoys to the United States and Great Britain to convince the public of these two countries of the necessity of a complete understanding among the three Powers all tend to show in what direction the wind is blowing.

China Still Isolated

"While both Japan and Soviet Russia are trying to get friends among the Powers, China remains isolated. China is a defenseless sheep and the reason why the Powers have not yet laid their hands on her is because they have not yet reached an understanding among themselves. Both Soviet Russia and Japan are casting their covetuous eyes on this vast country in Asia and before long these two powers will fight for the possession of this country.

"Will China remain idle, waiting to be taken by the victorious Power or will she settle down and work out her own salvation? In our opinion the disputes between nations all arise from misunderstandings between the two countries concerned. Such questions can only be settled by the countries concerned.

Must Be Independent

"Although at times foreign assistance might be secured, it is not a matter of principle. An independent country must have an independent foreign policy. We cannot always depend on others to settle our troubles. Since the League of Nations has failed to give us satisfaction we had better turn to ourselves and have the matter settled between China and Japan.

"Asia has been shut out from the League of Nations and it is up to the Asiatic Powers themselves to build up a new influence. Care should be taken to prevent, a possible alliance between the United States, Great Britain and Japan, for when this alliance is concluded China will be doomed."

China Presents a More Hopeful Picture

BY HILLIS LORY

(*Department of Political Science, Stanford University*)

CHINA, at last, is taking a realistic attitude toward her own problems and is giving an indication of an ability to meet them effectively. Since the establishment of the Republic in 1912, China has never had a stronger central government than the National Government in Nanking today. Too many governments heretofore have presented ornamented but hollow facades. The National Government at Nanking has at times exercised but little real authority over China. However today its power is real and extensive.

At China's helm are two veteran leaders who stand as giants in a crowd of petty politicians and militarists. Chiang Kai-shek, Chairman of the Military Affairs Commission, known in China as "the General," is her strongest man and her greatest hope for unification. As Chairman of the Executive Yuan, Wang Ching-wei carries the burden of the civil administration, with problems radically different than those of Chiang's, but equally difficult of solution.

China's government of today may well be characterized as a government of men rather than offices. Official title is less important than a commanding personality. Both Wang Ching-wei and Chiang Kai-shek have of late shown a more liberal tendency in permitting men of slightly different political views to participate in the government—a sign of strength hitherto lacking.

Problems Settled on the Spot

There is noting more charateristic of the National Government to-day than its hurried conferences. The officials fly to Shanghai, Kuling, and Nanchang, meet the problems that arise, settle them on the spot, return to their offices in Nanking only to fly elsewhere to solve new problems. The conferences serve to give lesser officials a sense of importance. But the policies adopted are usually those which have received the approval of Chiang Kai-shek and Wang Ching-wei.

In harmony with his more realistic attitude toward the problems of China, General Chiang is working on the sound principle of "a small China" and is building the best government China has known since the days of the Empire. Within his "small China," he plans to incorporate more and more territory as the government gives evidence of being able to control it effectively. To.day one may safely say that the effective jurisdiction of the National Government extends over the Yangtze Valley, one of the richest, most fertile river valleys in all China, having an estimated population of 170,000,000, almost three times that of Japan proper.

Still the National Government in many respects cannot meet certain of the recognized tests of good government. For instance, it is impossible to say that the control of the Nanking Government begins or ends with this or that point, with this or that line. It is strong at the center. As one works toward the edges, one comes more and more to chaos and disaster.

Nanking Has a Building Boom

Nanking, the economic and political nerve center of the new China, is revealing a progress worthy of a national capital. Plans are under way to make of Nanking a capital as distinctive and beautiful as Washington, D.C.. At present, the city is in the throes of a building boom. Magnificent government buildings, fine apartment houses, entire business blocks are under construction. The rapid development of Nanking is very indicative of the increasing strength of the National Government.

At the present writing it even appears that Communism within a short time will be entirely eliminated from China. The consensus of opinion seems to be that the Communists are on their last legs. Certainly their influence are less than at any time since the open break in 1927 and the prospects for the National Government are correspondingly bright. Wang Ching-wei, former Left Wing leader, is as bent upon their eradication as is Chiang Kai-seek, who has been relentless in his drive against Communism. With China ranking eight in air power among the nations of the world, General Chiang has used effectively China's planes to literally blast the Communists from their strongholds.

As for the old-fashioned war lords, their stars are in the descendent. None as powerful as the formerly rebellious Generals Feng and Yen are on the immediate horizon ready to contest the authority of the National Government. The lesser war lords who are serving in most cases as the provincial governors of the outlying provinces at least evidence a willingness to pay a nominal tribute to the recognized government at Nanking and to let it speak for China in foreign affairs.

Canton is still on the "outs" with the National Government. But Canton always will be until the government is moved to Canton or the Cantonese are in control in Nanking. Canton has always demanded a new deal with the cards stacked in her favor.

China Takes Realistic Attidude

In the field of international relations, as well, China is also taking a realistic attitude. It shouldn't have taken a great deal of discernment on the part of China to realize that her traditional foreign policy of playing off one nation against another has got her nowhere. It has failed to save for herself, Yunnan, Tibet, Outer Mongolia or Manchuria. Only two years ago, not a few of China's leaders confidently expected the United States to go to war to save China's famed territorial integrity. To-day, they may hope that she will, but I dare say they scarcely expect it. The inefficacy of the League has jolted China into a realization that after all no one is going to pull her chestnuts out of the fire.

So at last, China has come to a rather belated recognition that if she is to save herself from further economic and territorial penetration, she must keep her own house in order and eliminate those "incidents" which serve as launching points for imperialistic aggression. Particularly is this true in North China where there is the added danger arising from the strong tie between those peasants who have migrated to "Manchoukuo" and those remaining in the northern provinces of China. Those in Manchuria frequently send remittances back to China with glowing accounts of a land free of bandits and exorbitant taxation—the two curses of agricultural China. The National Government at Nanking, aware of this situation, is doing much of its best rural work in the North Eastern Provinces in an effort to keep it from going the way of Manchukuo.

All in all, the relations between China and Japan have been constantly improving. China feels that nothing will be gained at the moment by the use of an economic boycott directed against Japan. Rather it would be apt to lead to further political penetration of China by Japan either to "protect her nationals" or to guard her economic gains.

The National Government, however, does, not interpret this conciliatory policy as a reconciliation to the loss of Manchoukuo, As Wang Ching-wei expressed it to me this summer :" "If a man of superior physical force forced his way into your home and usurped a room, the mere fact that you lacked the immediate strength at the time to eject him, would be no indication that you were reconciled to his presence or regarded it as permament." Then he added :" "China is like a man with a broken arm. It must be healed before he can fight. So must China strengthen her internal government before she can hope to regain control over Manchuria."

While many are not in agreement with China's conciliatory policy toward Japan, nevertheless there is a growing opinion that China can take little action now. I asked one young government official if he had visited Manchukuo. He instantly said : "No, I have not and I shall never go until it is returned to China." When I mildly suggested that in that case he might never have the opportunity of visiting that country he replied : "Never mind. I shall visit it in the spirit of my grand-children. If I can not recapture Manchuria, my sons will. If they fail, I am confident that my grandsons will succeed. Time means nothing to China."

While China is creating within her borders a strong central government, her external problems can afford to wait. In all international conflicts, the scales are weighted for China with a population of 400,000,000 who have traditionally absorbed their conquerors. With 30,000,000 Chinese already in Manchukuo and with this greatest migration in modern history still continuing unabated, not China's culture but her agriculture may inevitably return Manchuria to a revitalized China.

Tokyo, September 18, 1934.

Property of "One-Arm" Sutton Is Foreclosed in Canada

The name of General Francis A. Sutton, known as "One-Arm" Sutton in China, was once again brought in the limelight last month. Some two or three years ago, General Sutton bought Portland Island, off Sidney, Vancouver Island, but for which payment was not made in full, and a mortgage was arranged. The present whereabouts of Sutton are unknown—at least to the Canadian court officials. On Sept. 5 the matter was brought up in the British Columbian Courts and a foreclosure order was granted. The total sum due on the property amounted to $15,835.

PEIPING-LIAONING RAILWAY

ABRIDGED TIME TABLE

1st July, 1934 and until further notice.

Down Trains										Up Trains							
41 Slow D 1 2 3	301 Ex. S D 1 2 3	1 Ex. S D 1 2 3	305 Ex. S D 1 2 3	23 Fast D 1 2 3	5 Ex. D 1 2 3	21 Ex. S D 1 2 3	3* Ex. S D 1 2 3	MAIN LINE STATIONS		302 Ex. S D 1 2 3	22* Fast D 1 2 3	42 Slow D 1 2 3	4 Ex. S D 1 2 3	24 Fast D 1 2 3	2 Ex. S D 1 2 3	306 Ex. S D 1 2 3	6 Ex. D 1 2 3
5.45	15.05	8.45	18.50	13.15	16.30	20.15	10.55	dep. Peiping - - -	arr.	10.24	11.29	17.55	18.42	23.17	9.18	8.19	11.50
6.20	15.36	9.13	19.20	13.46	—	20.48	11.24	,, Fengtai - - - -	dep.	9.54	10.55	17.21	18.15	22.48	8.47	7.49	—
7.45	16.40	10.21	20.26	15.01	—	22.08	—	,, Langfang - - -	,,	8.50	9.26	15.43	—	21.34	7.45	6.43	—
9.16	17.50	11.28	21.39	16.30	19.07	23.38	13.32	,, Tientsin Central	,,	7.40	8.03	14.14	16.05	20.11	6.39	5.30	9.15
9.25	17.59	11.36	21.48	16.39	19.15	23.47	13.40	arr. Tientsin East -	dep.	7.30	7.50	14.00	15.55	20.00	6.30	5.20	9.05
9.35	18.20	11.50	22.20	16.55	—	24.00	13.50	dep. ,, ,,	arr.	7.05	7.36	13.46	15.40	19.50	6.15	4.50	
10.38		12.47		18.03	Stop	1.10	14.47	,, Tang-ku - - -	dep.		6.31	12.46	14.45	18.51	5.11		
11.46		13.45		19.08		2.18	15.40	,, Lu-tai - - - -	,,		5.26	11.41	13.48	17.43	4.08		
12.52	FOR SHANGHAI	14.42	FOR PUKOW	20.11		3.32	16.39	,, Tang-shan - -	,,	FROM SHANGHAI	4.15	10.30	12.50	16.37	2.58	FROM PUKOW	
13.39		15.17		20.47		4.20	17.14	,, Ku-yeh - - -	,,		3.30	9.44	12.18	16.05	2.16		
14.29		15.49		21.21		5.12	17.46	,, Lanhsien - - -	,,		2.32	8.45	11.39	15.22	1.18		
15.32		16.31		22.11		6.18	18.28	,, Chang-li- - - -	,,		1.29	7.40	10.58	14.37	0.19		
16.16		17.04		22.46		7.07	19.01	,, Pei-tai-ho - - -	,,		0.39	6.54	10.27	14.00	23.31		
16.43		17.23		23.08		7.33	19.20	,, Chin-wang-tao -	,,		0.01	6.25	10.04	13.35	22.59		
17.05		17.40		23.26		7.55	19.37	arr. Shan-hai-kwan -	,,		23.30	6.00	9.45	13.15	22.30		
		18.40						dep. ,,	arr.						21.26		
		16.25						arr. Shenyang (Mukden)	dep.						10.15		

S. D.—Sleeping and Dining Cars. D. Dining Car.

Refund of Fares :— Passengers must get Station Master to endorse ticket in connection with which they intend to claim refund.

No. 3 and 22* Temporary suspended.

Tientsin, 1st July, 1934.

BY ORDER.

Civil Official to Head Projected Bureau of Manchurian Affairs

A civil official is to head the projected Bureau of Manchurian Affairs, while the Vice-Director will be selected from among army officers, General Senjuro Hayashi, War Minister stated in an interview Oct. 1. The proposed Bureau will function as a subsidiary to the Premier's office. The Ambassador to Manchukuo, who is given the most important place in the reorganization scheme, will receive his instructions from the Premier through the Bureau according to advance reports on the reform plan.

S.M.R. Will Manage C.E.R.

The South Manchuria Railway Co. will undertake the management of the Chinese Eastern Railway after it is acquired by Manchukuo. The South Manchuria Railway Co. is already managing all of Manchurian railways, except the C.E.R. The track between Changchun and Harbin is to be provided with an additional rail so that either broad-gange Russian or standard-gauge S.M.R. trains may run on same.

S.M.R. Runs Train from Dairen to Changchun in Eight Hours

The S.M.R. made a trial trip Sept. 28 of its new super-spead train from Dairen to Changchun a distance of 435 miles, which distance was covered in eight hours. The present schedule is 12 hours.

Plague Epidemic in Manchukuo—No Deaths in Railway Zone So Far

As the epidemic of bubonic plague which is ravaging several districts to the south-west of Harbin shows no sign of abatement, it is reported that the Manchukuo authorities have decided to open quarantine and isolation depots at Harbin, Shwangchengpu, Taolaichao, Yaomin, Kwangchengtze, and Tsitsihar. No deaths from plague have been registered in the Chinese Eastern Railway zone, but villages and townships situated from 30 to 50 miles from the southern section have suffered greatly.

Army Maneuvers to Be Held in Manchukuo Oct. 13

The Manchukuo Army will hold special military maneuvers in the vicinity of Changchun for three days beginning October 13 under the supervision of "Emperor Kangte" (Henry Pu Yi). General Chang Ching-hui, Minister of the Defence, will be chief of staff of the Emperor, while Lieutenant-General Wang Ching-hsiu, Vice-Minister of Defence and Commander of the Hsinking Garrison, will be the senior officer on the Emperor's staff during the maneuevrs. The Army will be divided into northern and southern forces. The former will be commanded by Major-General Juro Fujii, Commander of the Chingan Army, and the latter under the command of Lieutenant-General Ying Chen-fu, of the Central Military Training School.

Another Central American Company to Recognize Manchukuo

Following the example of El Salvador, Nicaragua will also recognize Manchoukuo, declared Dr. Espinoza, Vice-President of the Republic of Nicaragua, to a Japanese newspaperman in San Francisco Sept. 29, according to reports reaching Tokyo. Dr. Espinoza was also reported as saying that after attending the International Red Cross Congress in Tokyo, to which he is a delegate, he will go to Manchukuo on a tour of inspection.

New Pulp Mills to Be Built in Manchuria

Three huge pulp mills will soon be constructed in Manchukuo by the East Manchukuo Rayon Pulp Company, controlled by the Okura interests, it was announced in Changchun Oct. 1. Kirin and Lungchingtsun, near the Korean border, have already been selected as the site for the projected plants. The location for the third mill has not yet been chosen. The projected Kirin mill will occupy an area of 9,600 acres, employ 6,000 men and have an annual production of 30,000 tons of pulp. Lungchingtsun was selected because of its accessibility to the North Korean ports and availability of fresh water for pulp milling.

Three Killed, Seven Kidnapped in Manchuria

A Japanese and two Manchurians were killed and seven men were kidnapped Sept. 20 by bandits who attacked three trucks carrying an engineering crew of the South Manchuria Railway. The attack was staged between Santaitzu and Lutaochiatzu stations, south of Ningan in Kirin Province. Two of the trucks were burned by the bandits.

British Economic Mission Due in Changchun October 10

The Federation of British Industries' Mission to Manchukuo headed by Lord Barnby, arrived in Yokohama Sept. 27. They are scheduled to reach Changchun Oct. 10 (the anuniversary of the Chinese republic). The following day they will be received in audience by Emperor Kangte. After visiting various parts of Manchukuo they will return to Japan Oct. 23 and sail for home by way of the United States abroad the *Tatsuta Maru* Oct. 25.

Hon. Col. William Francis Forbes-Sempill, Chairman of the London Chamber of Commerce, will visit Changchun by air. He will take a southern air-route, touching Australia, Singapore and French Indo-China on way to Manchukuo, personally piloting his own plane. He will also later visit Japan. Hon. Sempill undertood the organization, the equipment and training of the Japanese Naval Air Force in 1921.

Soviet-Jap Border Negotiations to Start Next Month

THE Osaka *Jiji* forecasts that negotiations between Japan and Soviet Russia on border matters, will probably be opened early in November. The joint frontier committee plan, which the Foreign Office authorities have in view, is, according to the *Jiji*, something along the following lines :—

1.—The joint frontier committee, on which Japan, Manchukuo and Soviet Russia are represented, is to be created to prevent border disputes and to seek a regional settlement of such disputes when they have occurred.

2.—A central committee is to be provided at Harbin; and local committees at Manchuli, Pogranichnaya and a few other places.

3.—These committee are to be formed of the representatives on the spot of the three Governments, with military experts in addition.

4.—When border disputes happen, the committee of the districts concerned are to discuss a pacific settlement, and only when a settlement has been found difficult, these disputes are to be referred to the central frontier committee at Harbin.

5.—Every effort is to be made to avoid border disputes being made matters of diplomatic negotiation between the Governments concerned.

C.E.R. Purchase Terms in Detail

Manchukuo's terms regarding the purchase of the Chinese Eastern Railway have been submitted to Moscow through Soviet Ambassador M. Yurenev, it was announced in Tokyo, Sept. 30. Manchukuo's terms are reported to be as follows :—

1. The price of the railway and all its assets shall be $140,000,000 yen.

2. In addition, the Manchukuo Government shall pay 15,000,000 yen to Soviet employees as retiring allowances.

3. Of the actual sale price 40,000,000 yen shall be paid in cash and 100,000,000 yen shall be paid in kind.

4. Payment shall be completed in three years. The Soviet Government shall have the privilege of ordering any kind of product or merchandise it desires in the payment in kind.

5. Soviet employees are to be withdrawn from the railway property within three years.

6. Manchukuo shall raise the necessary funds by means of a national bond issue to be sold in Manchukuo and Japan.

Japan Denies French Claim on C.E.R.

The Japanese Foreign Ministry denies the report that the French Government has reserved the right to demand the payment of old investments to the Chinese Eastern Railway towards Japan and Soviet Russia. A Foreign Office spokesman declared that it is not true so far as Japan is concerned. Japanese Government leaders insist that such a demand cannot be made upon Japan, since the Sino-Russian treaty of 1924 provided that the Russian Government take responsibility for all debts of the Chinese Eastern Railway.

Soviets Say Arrested C.E.R. Man Is Being Tortured

The station-master of Manchuli, Soviet citizen Shablinsky is being subjected in prison to tortures endangering his life, according to Soviet reports. The consul's demand for permission to visit Shablinsky has been refused by the local bureau of diplomatic affairs on the ground that investigation of Shablinsky's case has been completed.

Li Chang-ching Goes to Russia to Study Conditions

Li Chang-ching has been appointed by the Ministry of Foreign Affairs to study the political and economic conditions in Soviet Russia. Mr. Li, who will spend one year in Russia, has been ordered to make a detailed report on his trip, to the Government. Besides making a thorough investigation in the industrial centres in Russia, he will interview high political and military officials there with a view to finding out their attitude towards the settlement of the various questions in the Far East. Mr. Li was a professor in the Chun Shan University in Moscow many years ago. Mr. Li departed from Shanghai on his way to Russia during the early part of this week.

Ship-Owner Alleged to Have Tried to Blow Up Ship

Chen You-pei, manager of the Shwan An Steamship Company, Shanghai, was recently arrested by the French police, and is now being tried at the Nantao District Court on a charge the he planned to blow up the ship that bears the name of his company in order to obtain $60,000 insuronce money from the China Hull Underwriters, Avenue Edward VII. The ship aboard which Chinese Customs authorities have seized a large quantity of explosives, is being detained in Shan Du Hou along the Fukien coast.

America's Exports Increase---Imports Decline

A favorrable trade balance of $52,450,000 for the month of August was reported Sept. 26, by the United States Department of Commerce. Exports during the month amounted to $171,965 000, an increase of nearly $10,000,000 over the $161,655,000 worth of goods sold to foreign countries during July. The increase was attributed largely to seasonal gains in shipments of tobacco, fruits, grains and the substantial movement of lumber, iron and steel, machinery and fertilizer. Imports showed a decline from the previous month of nearly $8,000,000. Total importations during August amounted to $119,515,000 compared to $127,229,000 for July, the drop being due to smaller consignments of tin, crude rubber, burlap, newsprint, coffee, raw hides and skins and inedible oils and fats.

Governor Lehman Renominated for N. Y. Governor

Governor Herbert Lehman was unanimously renominated for the governorhip of New York at the Democratic State Convention in Buffalo, Sept. 27.

Arizona Governor Appoints Arbitration Board to Investigate Japanese Dispute

The Governor of Arizona has named an arbitration board to settle the dispute in the Salt River valley between American farmers on one side and Japanese and Hindu agriculturists on the other. American farmers have allegedly damaged the Japanese irrigation ditches and flooded their crops.

Twenty Million Face Destitution in U. S. During Winter

President Roosevelt Sept. 28 launched a gigantic movement for the relief of 20,000,000 persons who face destitution in the nation as the sixth winter of the depression nears. The President summoned to the White House for the occasion leaders of 34 outstanding private relief agencies an well as numerous delegates from social organizations and other relief groups to consider what help can be given this estimated number of needy persons. Every section of the country was represented.

Presldent Roosevelt Says Unemployment Must End

President Roosevelt in a broadcast speech Oct. 1 declared that that he would not tolerate a permanent body of unemployed. National economy, he said, must be arranged to end unemployment as soon as possible.

Insull Brothers Put on Trial

The trial of Samuel Insull, his brother Martin and 15 co-defendants, in connection with the collapse of the Insull financial organizations, was started in Chicago this week.

Federal Reserve Council Recommends Early Return to Gold Standard

The Federal Reserve Advisory Council Sept. 27 recommended an early return to the gold standard.

America Urged to Build Three Super-Liners

The immediate construction of at least three super-liners to meet competition from the giant Cunarder, *Queen Mary*, (recently launched) and other European liners, was advocated Sept. 30 by T. V. O'Connor, former chairman of the Uuited States Shipping Board. Mr. O'Connor suggested the building of super-liners capable of developing 30 knots, constructed in such a manner as to be convertible into cruisers in time of war. A hundred million dollars should be appropriated to build these liners, he declared, which would give labor more relief than any National Recovery Administration project.

Descendants of Confucius Not Going to Japan

A recent Japanese report that Kung Teh-cheng, the 77th generation descendant of Confucius, the great Chinese sage, and his uncle, Kung Ling-tsan, would participate in the opening ceremony of the Confucius Temple in Japan upon its completion next April was categorically denied by Mr. Kung and his kinsmen in a notice published in several Shantung dailies last week. Mr. Kung denied having received any invitation from Japan to the forthcoming opening ceremony of the new Confucius Temple there, and added emphatically that even if he should be invited, he would not be able to participate.

Liquidators Named for Overseas Trust

Chen Ting-jui and Chen Jih-ping, lawyer and public accountant respectively, have been invited to take charge of the liquidation of the Overseas Trust Company, at the corner of Szechuen and Hongkong Roads, Shanghai. The liquidation of the company has been officially announced by E. K. Moy, and Thomas P. Chan, president and vice-president of the company. The Overseas Trust Company, which was opened last year at a total capital of $500,000 consisting of 50,000 shares at $10 each, has been closed since the Mid-Autumn Festival.

Serious Floods in Northern Kiangsu

Reminiscent of the great flood of 1931, all the lakes and rivers in Northwestern Kiangsu have overflowed, converting miles and miles of farmland into sheets of water. All during the past week rain has been falling continuously in the Hsuchow area. The Shantung-Honan-Anhwei border adjoining Northern Kiangsu is also affected, due to the rise of the water in the Weishan and Chaoyang Hu Lakes, the central section of the Grand Canal, the old bed of the Yellow River, and the Liutang, Hsiangwei, Kuei, Kingshan, Tasha and Lungtai Ho Rivers. Hundreds of dwelling houses along both banks of the old bed of the Yellow River have been washed away by the swollen waters. The inhabitants, rendered homeless, have fled to safer zones. As the highways have been damaged by the torrential rains, communications along the Kiangsu-Honan border have been disrupted.

Conditions are at their worst in Hsuchow, where the entire city was submerged under some four feet of water.

Yellow River Shifts Course In Shantung

Owing to the accumulation of silt along the course of the Yellow River at Litsun, near its mouth in north-eastern Shantung, the river last week suddenly changed its direction, flowing some three miles southeast of its original course towards the sea. As the old course is blocked up with dirt and mud and the new one is too shallow to permit the smooth flow of the waters to the sea, the river is rising rapidly at Lokow, north of Tsinan. Hua Kuan-shih, representative of Yellow River Conservancy Board, has despatched a telegram to the board at Kai-feng, provincial capital of Honan, urging that dredging operations be immediately started in order to avoid aggravation of the situation.

Little Progress Made in the Batavia Conference

Little progress has been made in the negotiations between Mr. Koshida, the Japanese Consul-General in Batavia, and Mr. Herdern, the Netherlands Indies delegate, in regard to the import quota system. The Japanese delegate had proposed to restrict the quantity of Japanese articles shipped to the Netherlands Indies to the 1933 mark. But the Netherlands Indies delegate would not confirm this nor would he signify the basis his Government wishes to adopt. Another important divergence of opinion is that whereas Mr. Koshida demands a share for Japanese merchants in the Netherlands Indies equal to that of the Netherlands merchants, the Netherlands Indies delegate insists on a share of only 15 per cent for Japanese import houses.

In regard to quantitative restrictions, the Japanese press understands, the Netherlands Indies Government wishss to adopt a barter system and thinks it necessary first to arrange import quotas with third countries. It is trying, therefore, to postpone the fixing of import quantities for Japanese articles as long as possible.

In connection with the fixing of import ratios between Japanese and Netherlands merchants, whereas the Japanese delegate is asking to fix the ratio for Japanese articles alone, the Netherlands Indies delegate is demanding the fixing of ratios covering all imported articles.

Philippines Plan to Plant 600,000 Acres in Cotton for Japan

Plans for the planting of more than 600,000 acres of Philippine agricultural land in cotton for sale to Japan were made public in Manila, September 28, by the Secretary of Agriculture, Eulogio Rodriguez. He said the aim of the scheme was to redress the unfavorable Philippine balance of trade with Japan. Secretary Rodriguez said the total production of raw cotton in the Philippine Islands this year was 1,000 tons.

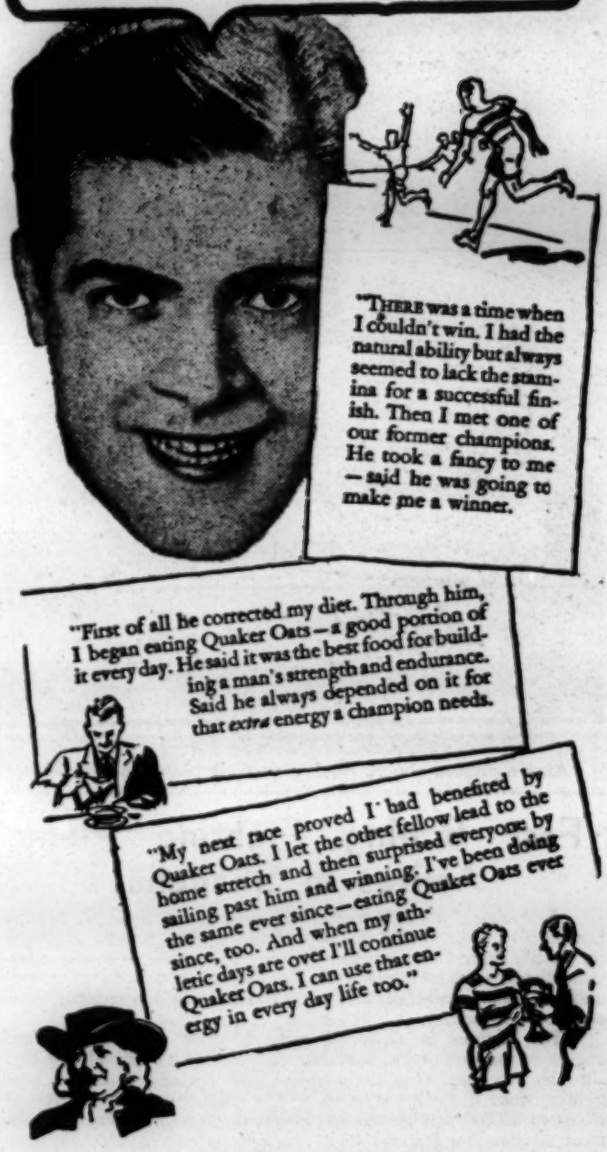
Is Lancashire Camouflaging Japanese Goods?

The London *Daily Herald* charges that certain Lancashire firms have been for some time past re-exporting in large quantities Japanese products which, after a slight transformation, are sold as British goods. Unbleached linen, in particular, is very cheaply bought in Japan, according to the paper, and then, after being tinted and prepared in Great Britain, is re-sold on the markets of the Dominions where, consequently, it enjoys the preferential tariff reserved to British merchandise. The Labor organ protests against such practices by which, it says, Lancashire industry is fatally competing with itself.

Imports into China Show Decline as Compared with Last Year

Net imports to the whole of China from abroad for the first eight months of 1934, amounting to $717,631,782, were considerably less than the total imports for the January to August (inclusive), 1933, period, which totalled $974,584,629. The grand total of August, 1934, imports, set at $74,252,903 by the August, 1934 Returns of the Foreign Trade of China, issued last week by the statistical department of the Inspectorate General of Customs, was but slightly more than the total for the previous month of July, viz $73,529,043.

"A tip from a champion made *me* a winner"

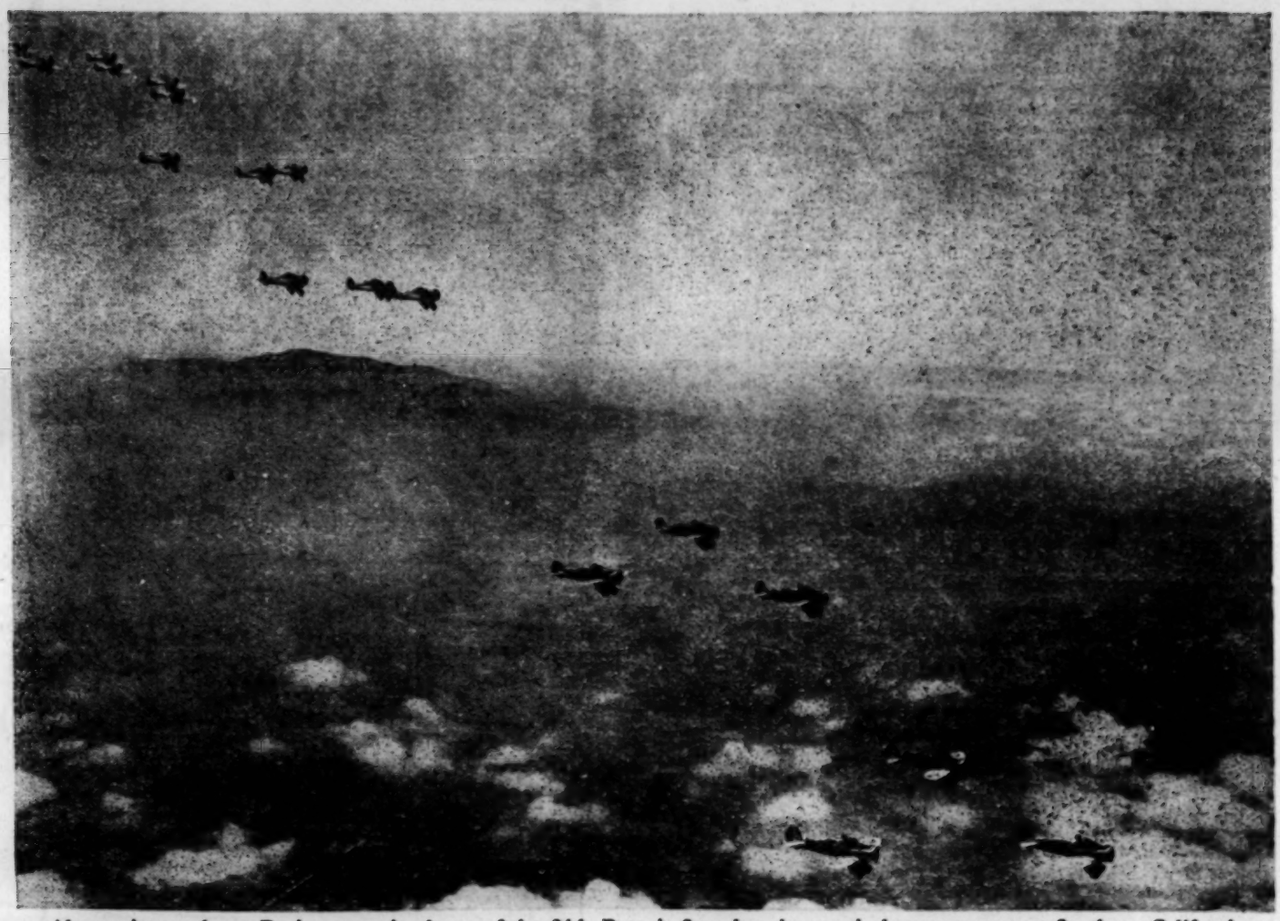

"There was a time when I couldn't win. I had the natural ability but always seemed to lack the stamina for a successful finish. Then I met one of our former champions. He took a fancy to me—said he was going to make me a winner.
"First of all he corrected my diet. Through him, I began eating Quaker Oats—a good portion of it every day. He said it was the best food for building a man's strength and endurance. Said he always depended on it for that *extra* energy a champion needs.
"My next race proved I had benefited by Quaker Oats. I let the other fellow lead to the home stretch and then surprised everyone by sailing past him and winning. I've been doing the same ever since—eating Quaker Oats ever since, too. And when my athletic days are over I'll continue Quaker Oats. I can use that energy in every day life too."

Children and adults in every walk of life thrive on Quaker Oats. It has every element necessary for health. Gives extra strength, vigour and vitality. It's delicious, too—you'll like its tempting flavour. Serve Quaker Oats every day—cooks in 2½ minutes.

LOOK FOR THE QUAKER FIGURE FOR GENUINE

Quaker Oats

BOEING PURSUIT PLANES FLYING OVER SOUTHERN CALIFORNIA



Above picture shows Boeing pursuit planes of the 34th Pursuit Squadron in practical maneuvers over Southern California

Fast Boeing Fighting Plane Arrives in Shanghai

A Boeing Type P-26 fighter, the fastest and most formidable pursuit plane ever seen in this part of the world, arrived in China on the SS. *Pres. Grant* on October 2. This plane is being taken immediately to the Hungjao Air Field where it will be assembled under the supervision of Wellwood E. Beall who has recently come out from the factory.

This fighter is equipped with a Pratt & Whitney Wasp engine of the latest type, supercharged to 500 h.p. at 11,000 feet altitude. Its performance is unexcelled by any standard type fighter, since it has a top speed of 235 miles per hour and it can climb to 10,000 feet altitude in only 4½ minutes. One of the most outstanding features is its remarkable range, which is over 1100 miles. This range is accomplished without the use of special or additional fuel tanks.

Low-Wing Monplane Type

The airplane is of the low wing monoplane type with semi-elliptical plan form. The wings are mounted on wing stubs built into the lower part of the body and are braced by stainless steel streamline wires. The fuselage is all metal, semi-monocoque structure, constructed principally of aluminum alloys except a few highly stressed fittings in which steel is employed. The covering of both the wings and the fuselage is of smooth aluminum alloy sheeting with flush rivets. The wheels and landing gear are specially streamlined, offering the minimum of resistance.

This type of airplane is the standard fighter of the United States Army Air Corps who have recently taken delivery of 111 of these pursuits and have just placed an additional order for 25. This airplane enjoys an enviable reputation. Of all the airplanes in use in the U. S. Air Services this is the only airplane upon which there are no flight restrictions. This airplane can be put through any kind of maneuver, including terminal velocity dives and sharp pull-outs; the only limitations being the physique of the pilot. This remarkable strength has been proven by static and dynamic tests conducted by the Materiel Division of U. S. Army Air Corps as well as by actual experience.

This machine derives its vicious sting from ite two machine guns firing 1100 rounds per minute and its 240 pound bomb load, together with phenomenal performance.

Manufactured in Seattle

This airplane is manufactured in the Boeing Airplane Company's factory, located in Seattle, Washington, U.S.A. which is one of the largest in the world. Established in 1916, the Boeing Airplane Company started building fighter airplanes in 1921 and to date 1175 of these single seater fighters have been manufactured, 1141 of which have been delivered to the U. S. Government Air Services. A total of more than 1800 airplanes of 56 different types have been constructed including models which have earned international fame in both military and commercial fields.

The Boeing Airplane Company is represented in China by Leslie A. Lewis of United Aircraft Exports, Inc. and Wellwood E. Beall, a sales engineer who has recently arrived from the factory.

The plane is to be demonstrated to the high officials of the Chinese Government by Mr. Beall and a special pursuit pilot, Edward Dorsey, who has been given a short leave from the United States Army Air Corps to demonstrate in China the new type of military tactics of which this airplane is capable.

C.N.A.C. Reports Good Progress During Last Year

Passenger traffic on the airlines of the China National Aviation Corporation during the past 12 months increased 50 per cent. Mail carried jumped 20 per cent, passenger mileage rose from 1,214,074 to 1,811,376 kilometers, an increase of 49 per cent, K. C. Hung, chairman of the board of directors and chairman of the 5th annual general meeting of the company held last week told assembled stock-holders. In addition, Mr. Hung noted that the improved financial condition of the company enabled it to operate at a slight loss as compared with heavy losses which were incurred in former years. Mr. Hung mentioned that the generally improved condition of the Corporation were, among other things, due to the co-operative spirit displayed by the Ministry of Communications in the improvement of civil aerial traffic and the personal attention of Dr. Chu Chia-hua, Minister of Communications, to all matters touching civil aerial communication and the valuable co-operation accorded by the American share-holders of China National Aviation Corporation.

United States to Have 500 Planes Ready at Moment's Notice

Plans for the organization of a newly-created G.H.Q. Air Force in such manner as to blanket the United States with fighting aircraft units operating independently of land forces were announced in Washington, Oct. 2. by the War Department. It was officially disclosed that the plans called for 900 airplanes to be ready at a moment's notice for either offensive of defensive purposes.

The entire Army Air Corps combat force is to be concentrated at various Army airfields from California to Virginia, with headquarters at Langley Field, Va., just across the Potomac River from Washington.

Gen. Mitchell in Fiery Speech Urges Construction of Airships Designed for Attack on Japan

"Japan is our most dangerous enemy," declared Brigadier-General William Mitchell, former Assistant Chief of Military Aviation, while speaking at a meeting held by the Aviation Commission appointed by President Roosevelt to study Ameria's air needs.

American planes, he declared, should be designed for an attack against Japan. With 50 more airships, he added, the United States could destroy Japan within two days if a war broke out between the two countries.

Reich-Nippon Secret Military Pact Reported

The Paris *Soir* prints a detailed report on a secret military and political agreement between Germany and Japan, concluded for a term of five years.

Yureneff to Be Transferred from Tokyo to Paris?

M. Constantine Yureneff, at present the Soviet ambassador to Tokyo, is being mentioned for the ambassadorial post at Paris, according to reports from Moscow. If the nomination is realized, M. Yureneff will succeed M. Dovgalevsky, who died recently in Paris.

Soviets Continue to Coerce Peasants into Joining Collective Farms

Further coercive measures destined to force the individua peasants to join the collective farms have been decided upon by the Council of People's Commissaries in the form of a non-recurrent levy on the value of the individual peasant's land. Members of the Red Guards, "victims of the kulaks," as well as all soldiers of the Red Army are exempted from the levy.

Russians Use Airplanes for Sowing and Insect Extermination

The organization of large State and collective farms in the course of recent years has created all necessary conditions for the large scale application of airplanes both as agricultural machines for sowing from the air, as well as for combatting field and forest pests. The airplane "AP" furnished with a special tank holding 200 kilograms of seeds or poisonous solutions for sprinkling the fields and forests, is widely used for both purposes. The plane can sow 100 hectares a day, thus replacing five tractors with 10 sowing machines.

International Labor Office Absolves Japan of Dumping

The report submitted to the Board of Directors of the International Labor Office in session in Geneva by N. Maurette, on behalf of a mission of investigation which visited Japan last April, says dumping does not exist in Japan.

M. Maurette's report states that labor conditions in Japan have greatly improved during the past few years. Commenting on the report, Mr. Kupera, a representative of the Netherlands workers, laid particular stress on the statement that Japan's industry is equal to that of Europe and the United States in organization and machinery and said that in all future conventions Japan will have to be placed on the same footing as Western industrial powers, without any discriminations. M. Jouhaux, representing French labor interests, then took the floor and emphasized the seriousness of Japan's competition which, he said, threatened the industrial activity and labor conditions of practically all other countries.

Japan Ready Also to Have Embassy in China

Commenting on Italy's elevation of her legation in China to the status of an embassy, a Foreign Office spokesman in Tokyo, Sept. 28 told the *United Press* that Japan is ready to take similar action at any time. He said that Japan has already made available the necessary funds by an appropriation for the purpose. It was indicated, however, that Tokyo probably would consult with the United States and Great Britain before taking any such action.

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Manchurian Reorganization Plan Arouses Bitter Feeling

THE success of the Japanese Minister of War, General Hayashi, in forcing acceptance by the Government of practically the whole of the army's plan for the reorganization of Japanese representation in Manchuria, has aroused bitter feeling not only in the Privy Council and among members of the Cabinet but also among a large section of the Japanese in Manchuria. The latter represent the old regime existing in Manchuria prior to the Mukden "Incident" of September, 1931, including 15,900 Japanese police and civil officials who hitherto have been under the control of Ministry of Overseas Affairs but who will come under the army when the reorganization scheme goes into effect, as it will shortly. Under this scheme, the head of the Japanese administration will be the Commander-in-Chief of the Japanese Army in Manchuria, who will concurrently be Ambassador at Changchun, and enjoy administrative powers.

Virtual Independence

The Ambassador will be responsible to the Ministty of Foreign Affairs in diplomatic matters, but only to the Premier and the Emperor in administrative matters. Practically speaking, his position, backed by the army, will be so strong that he will be virtually independent of Government control. The army wished him to be given a title equivalent to High Commissioner but failed to carry this point.

Under him will be, as Commander-in-Chief, a Chief of Gendarmerie, who will be, concurrently, Chief of Police, a post hitherto held by a civilian; a Chief of the General Staff of the Japanese Army in Manchuria; a Chief of Communications, who will be concurrently Chief of the Traffic Control Bureau and so wield large powers as supervisor of the huge South Manchutia Railway with its 7,500 miles of track, and also of the Japan-Manchukuo Electric Monopoly, with a capital of Y.90,000,000 which will control telegraphs, telephones and all other electrical enterprises in Manchukuo.

As Ambassador, he will control diplomatic affairs through a Councillor, and administrative affairs through a Chief Administrator who will supervise the police, including those in the South Manchuria Railway zone, and general affairs through the Chief of the General Affairs Bureau.

Innovation Criticized

In addition, a Manchurian Affairs Bureau, under the direct control of the Premier, will be organized in Tokyo. This innovation has aroused particular criticism as it will be outside the control of the Cabinet. The civilian element in Tokyo want the chairman of the Bureau to be a military man in order that the army shall bear the brunt of the responsibility for Manchurian policies, with a civilian vice-chairman. The army, however, is pressing for a civilian chairman and military vice-chairman as the latter will be responsible for the organization and staffing of the Bureau but not responsible for its policies.

The success of the army in forcing acceptance of its program represents a victory over the attempts of large Japanese capitalists to control and exploit the economic potentialities of Manchukuo.

The army leaders in Manchuria are striving to build up an economic policy based on semi-state socialism: in other words, the world's biggest trust, organized with military discipline and efficiency and working wholly for the profit of the inhabitants of that huge territory, which is as large France and Germany combined.

The Government of Manchukuo has announced that "in order to prevent the striking evils of capitalism, the program of national economy must be subject to national control. The Japanese Army is the originator and sponsor of this plan, being filled with bitter resentment against the capitalist system which dominates Party politics and the government in Japan Proper, so that the Minister of War, General Hayashi, recently declared:

"The purpose of the Army is to establish in Manchukuo an ideal State without the attending evils of capitalism."

The dream of the military is to organize a government which will retain the controlling interest in all important industries in Manchukuo. Private capital, they plan, should be admitted only if it is under proper control. At present all the utilities in Manchukuo are Government monopolies under complete control through the Ministry of Communications. Telephones, telegraphs, railways, aviation and navigation are government organizations. Mining, electric power, tobacco and motor transport will, henceforward, eventually be partially owned and solely controlled by the government, which plans to keep a tight hold on all matters likely to assist in national defence.

Manchukuo has launched upon a ten-year program of elaborate economic expansion, which aims to complement rather than to compete with Japan's industries. One of the most important features is the determination to utilize Manchuria's abundant and cheap man-power rather than to turn immediately to a highly mechanized system requiring the importation of expensive labor-saving machinery.

This economic program, under the guiding hand of the Japanese Army, has already had one inevitable result. Foreign firms are fast losing their foothold in Manchurian trade and many of them will be forced to close down in the near future. Many have already done so.

The Door Is Open—But Japs Stand in the Doorway

The door may be open as the Japanese assert, but (as *Reuter* says) there are so many Japanese in the door-way that it is difficult for anyone else to get through. Nearly half of Manchukuo's imports come from Japan, which absorbs 64 per cent of Manchuria's exports. Actually, whether the door is open or closed, it will have little influence on foreign trade there. The "Open Door" has never guaranteed an equal trade, but merely an equal opportunity to trade. Japan's geographical position on the very door-step gives her certain trade advantages which no Western Power can ever hope to enjoy. In addition, with Japanese capital in control and Japanese products consistently underselling Western products, there is little hope for the rest of the world sharing Manchukuo's trade prosperity.

Dr. Rajchmann Not Coming Back to China

Dr. L. Rajchmann, League of Nations expert on economics and former technical advisor to the Nanking Government, on Sept. 28 was appointed director of the Health Section of the League for a period of seven years. The Committee for Technical Collaboration with China have decided not to make any fresh appointment in China, but to despatch heads of sections as the occasion required.

Quo Tai-chi Lauds Dr. Rajchmann's Report

China's progress in reconstruction was reviewed before the League Council by Quo Tai-chi, Chinese minister to the Court of St. James and chief delegate to the League of Nations, in a lengthy report submitted to the Committee on technical cooperation between China and the League at a meeting Geneva, Sept. 29. He said the Chinese Government was particularly glad to note that the admirable report of Dr. Rajchmann, League technical adviser to China, had been most favorably commented upon in both Europe and the United States and that his views and recommendations contained in the report were fully shared by the League's technical organizations.

Robert Haas Coming to China Instead of Dr. L. Rajchmann

Robert Haas has been appointed by the League of Nations to come to China to perform work of a somewhat similar nature to that previously done by Dr. L. Rajchmann. Mr. Haas is due to arrive in China from Geneva within two months and will be accompanied by a group of foreign experts on water conservancy works.

French Insist on Saar Police

Negotiations on the thorny question of the Saar were begun at Geneva, Sept. 27 between the League of Nations and Germany. Louis Barthou, the French Foreign Minister, in a speech before the League Council said France would not hesitate to send forces to the Saar to restore order.

Soviets Will Not Join International Labor Office

Advices from Geneva state that Soviet Russia will not become a member of the International Labor office, the reported reason being that Russia is unwilling to restrain its freedom of action in labor problems by negotiating with representatives of capitalist countries.

Futher Details Given of Late Alex. McLure's Defalcations

Further echoes of the irregularities committed by the late Alex. McLure (old accountant firm of Seth, Mancell & McLure), who died suddenly several months ago, were heard last week when the shareholders and debenture holders of the International Investment Trust Co., of China, Ltd., and the shareholders of the Yangtze Finance Co., Ltd., were circularized by Messrs. Seth, Turner and Co., (successors to Mr. McLure's old firm), the secretaries, with regard to the losses sustained. As regards the first-mentioned company the defalcations are confined to Shanghai Electric Construction Co., Ltd. bearer shares. The loss is estimated not to exceed $186,525,37, plus the cost of the investigation. In the case of the Yangtze Finance Co., Ltd., the statement says that here also the defalcations are confined to Shanghai Electric Construction Co., Ltd. bearer shares. The loss in this instance is put at $194,369.77, or 37½ cents per share, at plus the cost of investigation. The public interest in the affairs of the late McLure is heightened by the fact that the perpelrators of the huge robbery of Canidrome funds from the offices of his firm have not been punished, that the lawyer for the complainant compradore has been found guilty of attempted extortion (and the verdict confirmed on appeal). Mr. McLure's death occurred suddenly.

Who's Who in China

Tsou An-chung, railway director; born at Hsin Hwa, Hunan 1898; B. S. in Economics (College of Commerce, Fuh Tan University, Shanghai), in 1924; assistant to Chief Accountant, Peiping-Hankow Railway; division chief, Bureau of Communications, Hunan-Hupeh Political Council, Hankow; chief of the Changsha Office of the Hunan-Hupeh Section of the Canton-Hankow Railway; division chief of the Navigation Department, Ministry of Communications; chief cashier of Accounting Department, Tientsin-Pukow Railway; member of Standing Committee of the Commission of Unification of Railway Accounting and Statistics, Ministry of Railways, the outline of the commission being drafted under his personal supervision; appointed as accounting expert of the Ministry of Finance to assist Mr. Watson, Advisor of the same Ministry, in planning the accounting system of China; auditor of the Office of the Resident Comptroller, Peiping-Suiyuan Railway; chief of the Planning Division of Accounting Bureau of General Comptroller of Budget, Accounting and Statistics of the National Government; division chief of the Office of Chief Accountant, Ministry of Railways; certified senior Member of the Committee of the Transportation Commission, Ministry of Railways; chartered accountant registered with the Chinese National Government; lecturer on "Advanced Accounting", Army Commissariat College at Nanking; lecturer on "Analysis of Financial Report," Chiao-tung University, Peiping College; chief accountant, Peiping-Suiyuan Railway; Assistant Managing Director and concurrently Chief Accountant, Peiping-Hankow Railway; Address: 14 Shou Shan Lee, French Concession, Hankow.

鄒安衆字鄭叔
Tsou An-chung

鄒安衆字鄭叔，湖南新化人，三十六歲，上海復旦大學商科畢業，歷任平漢鐵路會計處助理員，湘鄂政治委員會交通處科長，湘鄂路駐湘辦事處處長，交通部航政司科長，津浦鐵路出納課課長，津浦鐵路會計處助理員，鐵道部統一會計委員會辦理統一各路會計手續會擬具草案，考取財政部會計專員，幫助華生顧問設計財政部會計制度，平綏鐵路總稽核室稽核員，國民政府主計處會計局設計科科長，鐵道部會計長辦公處科長，高等文官甄別薦任一級及格，鐵道部鐵路負責運輸委員會委員，國府工商部核准會計師，軍需學校高級會計班教官，北平交通大學財政報告分析論講師，平綏路會計處處長等職，現充平漢鐵路副局長兼領會計處處長，現寓漢口法租界首善里十四號。

Peiping Daily Suspended for Seven Days by Kuomintang Headquarters

The *Ching Pao*, one of the oldest Chinese dailies in Peiping, was suspended by the Publicity Department of the Central Kuomintang in Nanking for seven days. The paper had published an interview in which Marshal Feng Yu-hsiang had made some caustic remarks concerning the Government's policy towards Japan.

The *Ching Pao* was started by the late Shao Piao-pin, who was executed in 1927 by General Chang Chung-chang. The paper was revived by his widow upon the establishment of the National Government in Nanking and has since been carrying on under her management.

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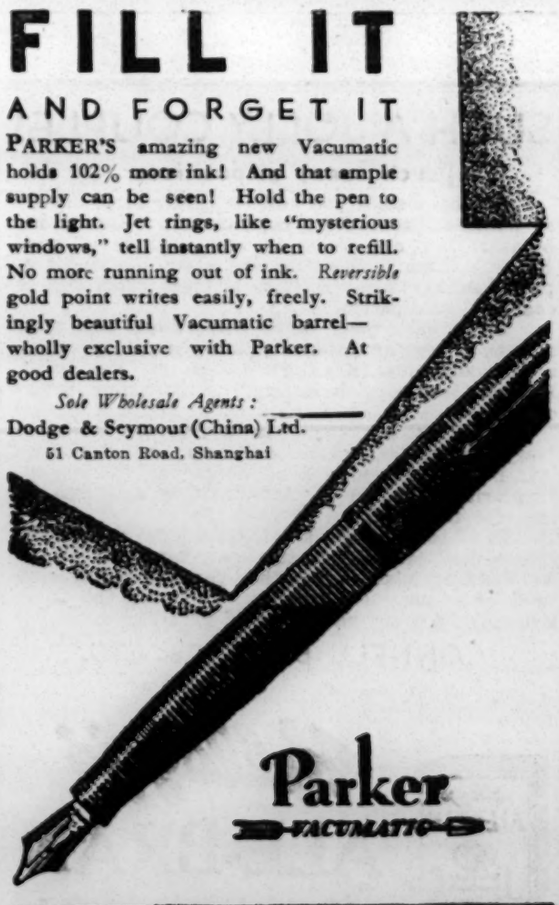

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Men and Events

Mrs. Wellington Koo, wife of the Chinese Minister to France, arrived in Shanghai from Europe Oct. 1.

The port of Dairen reports an increasing importation of cattle from Shantung, mostly from Lungkow.

A Chinese military mission headed by Major General Shing Yu-tu arrived in Istanbul, Turkey Oct. 1. principally to inspect military establishments.

The German community of Shanghai held their annual Thanksgiving Day celebration in the Kaiser Wilhelm School Sept. 30. More than 400 were in attendance.

Yu Shun-wen of the Ministry of Communications is proceeding to London to confer with British authorities with regard to the development of the Shanghai-London wireless traffic.

The Ningpo Industrial Bank has moved into its new offices at the corner of Nanking and Shanse Roads, Shanghai. The bank was established three years ago by leading Ningpo merchants in Shanghai.

Despite the fact that it is autumn, Nanking reported a temperature of 90 degrees Fahrenheit Sept. 29. At Nanchang, provincial capital of Kiangsi, the thermometer rose to 95 degrees on said date.

The tenth anniversary of the American Troop S.V.C. was celebrated at the Columbia Country Club in Shanghai Sept. 30. Captain Rodger in a short speech outlined the activities of the Troop. The Troop's annual dance will be held Nov. 22.

Judge Milton J. Helmick returned to Shanghai Sept. 30 by train from Tientsin where he had been holding sessions of the U.S. Court for China. He was accompanied by Mrs. Helmick, W. T. Collins, clerk of court, and Miss Wylie, Court reporter.

Chinese students studying abroad on provincial scholarships are not allowed hereafter to receive subsidies from the Boxer Indemnity Refund Commissions or other government sources, according to a ruling announced by the Ministry of Education.

Wang Yu-chuan, a Chinese in his twenties was publicly executed in Peiping Sept. 27. He was dressed in foreign clothes at the time of his execution. He was executed in front of the Pao Hsin bank at which he committed an armed robbery in August.

The second anniversary of the foundation of the *Shanghai Deutsche Zeitung* was celebrated Oct. 1 by a dinner party given by the editor, Capt. Max H. H. F. Semon-Eberhard, at which many prominent members of the local German community were in attendance.

Abbot Yuen Chao, the former chief monk of the Lunghwa Temple in Greater Shanghai, has been arrested and imprisoned by the Nantao District Court on charges of having secretly disposed of properties belonging to the temple and misappropriated funds running into six figures.

Benjamin Kopf, manager of the Ford Motor Co. in Japan, returned to Yokohama Sept. 22 after a three month's stay in Detroit. He announced that the Ford organization is planning the establishment of a manufacturing plant in Yokohama and that negotiations for securing a site have been started.

The State Museum of Oriental Culture in Moscow has decided to reopen the departments of Chinese and Japanese Art. Most valuable exhibits of Chinese art of the period from 15th to 19th century, and collections of Japanese art objects of the 13th and 14th centuries will be put on display at the Museum.

J. Roscoe Drummond, executive editor of the *Christian Science Monitor*, and Carroll Binder of the *Chicago Daily News*, together with their wives, are expected to reach Shanghai about October 19 and leave for the Philippines October 23 on the *President Coolidge*, returning November 5 and sailing for Kobe the next day.

The Chairman of the Shanghai Municipal Council and the Consul-General for France, President of the Commission Provisoire d'Administration Municipale de la Concession Francaise, gave a reception at the Cathay Hotel Oct 1 in honor of the delegates to the Ninth Congress of the Far Eastern Association of Tropical Medicine.

The quantity of Japanese goods shipped to the upper reaches of the Yangtsze River suddenly increased last month, as a result of the efforts of Japanese merchants in Shanghai. The Nissen Kisen Kisen Kaisha reported that the total quantity of Japanese commodities transported upriver reached 6,800 tons, an excess of 2,200 tons over that of the previous month.

A party of 16 Chinese educators led by Dr. Chao Fu-chia, general secretary of the Hua Tung Christian Education Society, composed of principals of various middle and girls' higher schools in the Shanghai and Soochow districts are making a three-weeks tour of Japan investigating the educational organs in leading cities. The party is scheduled to leave Japan on its return to China on October 19, sailing from Nagasaki.

Advices from Harbin state that the long-established Russian commercial house Choorin and Company is heavily indebted to the Hongkong & Shanghai Banking Corporation and to the Deutsche Bank & Disconto Gesellschaft of Berlin. E. Scheefer, a representative of the Deutsch-Asiatische Bank in Shanghai, proceeded to Harbin recently to assist in the prosecution of a claim by the Berlin bank in the Harbin courts against Choorin & Co. amounting to £62,000. Mr. Scheefer was also occupied with the bankruptcy of the German firm, C. Holstein & Co. in said city.

Ku Meng-yu Definitely Absolved of Malfeasance

Ku Meng-yu, Minister of Railways, is not subject to impeachment, the State Officials' Disciplinary and Punishment Committee of the national government declared at its meeting Oct. 1. The recommendation to impeach Mr. Ku, brought up by the Control Yuan during the summer, almost precipitated a political crisis with Wang Ching-wei threatening resignation from the presidency of the Executive Yuan. The tension, however, was eased following the acquiescence of the Control Yuan members to accept the explanations adopted by the Central Political Council that the charges supporting the recommendation for impeachment against any state official should not be made public before the official concerned is given a chance to plead his innocence.

Mr. Ku Meng-yu

The charges made by the Control Yuan members centered around an agreement concluded by the minister of railways on March 6, 1933, governing the purchase of railway materials from a French concern in Paris. According to the set of 12 articles in the agreement a total of 50,000,000 francs worth of railway materials were to be purchased. The shipment of the materials was to begin five months after the agreement went into effect and to be completed within a period of 16 months. Payment for the price of the purchased goods was to be made in 11 installments and to be completed by January of 1939. Five leading Chinese banks in Shanghai, including the Bank of China and the Bank of Communications, were to guarantee the payment.

The charges made by members of the Control Yuan were based on the ground of the lack of any provisions in the agreement as to the kind of railway materials to be purchased, the definite dates when the shipments were to be made, and the failure of the minister of railways to ask for the approval of the Executive Yuan before signing the agreement. The agreement was signed on March 6, 1933 and members of the Control Yuan pointed out that it was not reported to the Executive Yuan until May of that year. The agreement, it was further pointed out, being apparently one for a loan obtained from foreign interests, should have first been submitted to the Legislative Yuan for sanction.

The State Officials' Disciplinary and Punishment Committee, in its findings on the case cited all documentary evidence obtained from the Reconstruction Committee of Nanking which, it is pointed out, prove that the agreement in question was beyond doubt concluded for the purchase of materials rather than for a loan. Such contracts have been concluded with various foreign interests for constructive purposes and in no case has there ever been a precedent whereby the procedure as urged by members of the Control Yuan in the specific case under examination is required.

Plans for New Railways Station at Nanking Are Approved

Plans mapped out by the Nanking-Shanghai Railway Administration for the construction of the projected Central Railway Station at Nanking have been approved by the Ministry of Railways and submitted to the Executive Yuan for record.

Horse Show in Kweihua—Suiyuan Mounts for Chinese Cavalry

A total of over 1,000 horses chosen from the best stables of the various districts and banners will enter the third annual Suiyuan Provincial Horse Show, which is to be held in Kweihua on October 10. It is reported that several hundred horses are sold weekly to various agencies there and to military headquarters in Nanking, Peiping, Tientsin, Kwangsi, Honan and other provinces.

In the United States Court for China

MICHAEL JUEL MEIER
Plaintiff,
vs.
VIVAN ELIZABETH MEIER
Defendant.

Cause No. 3739
Civil No. 1717
ORDER
Filed at Shanghai, China, September 14, 1934.
William T. Collins, Clerk.
by L. T. Kenake, Asst. clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorney, has this 14th day of September, 1934, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 11th day of September, 1934, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 14th day of September, 1934, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has she resided therein at any time, and that defendant's last known address was care of The Emporium, Market Street, San Francisco, California, U.S.A.

NOW, THEREFORE, it is this 14th day of September, 1934, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 6th day of October, 1934 the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 14th day of September, 1934.

MILTON J. HELMICK,

Judge.

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New Books of Interest in the Far East

British-German Trade Rivalry

Ross J. S. Hoffman, Great Britain and the German Trade Rivalry 1875-1914. University of Pennsylvania Press, Philadelphia. 1933. 363 pages. U.S. $3.50.

This is a most valuable and interesting book which, besides, comes out at the right moment though it deals with events and problems of a period which many people will regard as of interest only to the historian. The Anglo-German trade rivalry and its effect upon British policy before and leading up to the Great War is indeed ancient history but anybody reading this book as carefully as it deserves, will immediately be struck by the similarity, with some reservations only, between what the author calls the inroads made by commercial and industrial Germany upon the far-flung business empire of Great Britain, the British national reaction to the German rivalry, and the influence of that rivalry upon the shaping of British policy, and on the other hand, what at present is going on with Japan in the place of Germany and not only in England but in quite a number of other countries too on the other side in the fight for the world's markets.

This similarity is, it must however be emphasized, not mentioned in the book itself which is a strictly historical treatise and as such valuable enough, as it tracks down, brings into shape and order and compresses within a small compass a huge mass of mostly forgotten and widely dispersed material, newspaper articles, pamphlets, speeches in Parliament, resolutions of public bodies and so on in order to analyze their effect upon the public mind and to discover the weight of their influence in shaping the policy of the British Government towards Germany.

Basing his investigations almost exclusively on British publications, the author comes to the following important conclusion: "It would be a grave historical error to ignore British dislike of German militarism and political institutions, disapproval of German diplomatic methods, distaste for German manners, and distrust of German political ambitions, as factors in building the mountain of Germanophobia in Great Britain. But it is surely quite reasonable to doubt whether Englishmen would have seen so much to detest in Germany had the commercial rivalry been nonexistent.....The British Government may stand acquitted of making war for the end of trade, but that the anti-German orientation of the British mind and British world policy sprang chiefly from the great economic competition seems incontrovertibly proved."

However, as we already pointed out, it is not so much this conclusion in which most people will be interested and for which they might be induced to study the book but for the description of the way in which trade rivalries between nations spring up and, as shown by the author, are being made use of by those directly affected by and others indirectly interested in their possible consequences, are being made use of for justified or justifiable as well as for ulterior and, sometimes, undoubtedly extremely dangerous purposes.

Practically everything that in the past few years and months has been said against Japanese business and industrial methods was decades ago said against Germany; unfair and unsound commercial practices, the selling of goods cheaper abroad than in the protected home market, the fraudulent use of foreign trademarks and labels on shoddy imitations of the original foreign wares, the cheapness of labor, the now so-called social dumping, the exercise of official influence abroad to promote commercial interests, open and concealed shipping and other subsidies, and so on and so forth. Until "the surprised chagrin of the eighties passed into the panic and alarm of the nineties" when in 1896 the Colonial Office, after an elaborate survey of trade competition in the Empire, found that "the competition which British goods have to face is on the whole a fair one". With the periods of depression and business revival the attitude towards this question changed from time to time, there was talk of "the German peril", "the German menace", "the German bogey" or "the German scare", but altogether it was this trade rivalry which formed the soil out of which the other great questions at issue between the two nations grew to dangerous dimensions as the result of the growing suspicion, jealousy and hatred.

To the trade rivalry in the Far East during the period under review fully 24 pages are dedicated which make strange reading if one considers the changes that since then have taken place with Japan now the chief rival of the old commercial and industrial Powers on all the markets of the world and, consequently, new suspicions and jealousies which, let us hope, will be allayed before they have poisoned the political atmosphere as was the case between Great Britain and Germany before 1914.

Mr. Hoffman's book, we may add, is excellently written and makes very easy reading in spite of the huge mass of material used and verbatim cited within the text. J. PLAUT.

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Police Bribery and Corruption in Harbin

The Harbin correspondent of the *Peiping Chronicle* writes that bribery and corruption in the Central Police Station of Harbin have taken proportions never seen heretofore; it is openly and shamelessly practised by officials of the Mechnical Department of the said police station; Mr. Murata, chief of the department, and his "Manchu" assistant, Mr. Wang, are the principal parties to this organized crime existing in the department for a number of years. This startling accusation we read not in a Chinese newspaper, published somewhere within the Wall, away from the clutches of the "Manchukuo" police, but in the *Harbin Times*, an important Japanese newspaper in the Russian language, in its issue for September 19.

So far, the world has been told of rapid improvement in the administrative machinery of "Manchukuo", of elimination of all sorts of corruption amongst its officials, and of happiness and contentment reigning amongst its populace. In the face of these eulogies, the "discovery" of organized bribery, practised for years by principal police officers in Harbin, seems to be almost incredible. Yet, the accusation is made, and in terms eliminating all doubts; therefore, it deserves the attention of a wider circle of the public. A surprising side of it is the fact that the material, so damaging to the police, has escaped the notice of the police censors, attached even to the *Harbin Times*. It occurs to one that as the result of this article somebody in the police and in the newspaper office must have found the place too hot for his superiors. However, there is nothing surprising in this "revelation", because corruption permeates the very substance of the "Manchukuo" administration. It is a government by decrees; every official, whatever be his position, is the czar in his special field, and uses the "law" as be sees fit it to do.

Cornerstone Laid of Million Dollar Municipal Stadium

The corner-stone of the gymnaisium, swimming pool and stadium of the Kiangwan Civic Center was laid Oct. 1, Mayor Wu Te-chen of the Municipality of Greater Shanghai presiding.

The ceremony was hailed as a milestone of progress in athletics and is regarded as inaugurating a boom in the program of building the Kiangwan Civic Center.

Among these present were O. K. Yui, secretary general of the Municipality of Greater Shanghai; Wu Hsing-ya, head of the Bureau of Social Affairs; Pan Kung-chan, head of the Bureau of Education; Major-General Wen Hung-en, head of the Bureau of Public Safety; Hsu Pei-huang, head of the Bureau of Public Utilities; Chin Li-jen, head of the Bureau of Land; Dr. Li Ting-an, head of the Bureau of Public Health; and General Yang Hu, head of the Peace Preservation Corps. Yeh Kung-chao, former minister of railways; Yu Tso-ting, chairman of the Shanghai Chinese Chamber of Commerce; Wang Hsiao-lai, chairman of the Chinese Ratepayers Association of the International Settlement; and Shen Sze-liang, of the National Athletic Association.

Funds for the stadium, which will be the largest athletic structure in the Far East, to the extent of $1,000,000 were set aside by the authorities from the sum of $3,500,000 recently raised by the sale of public bonds. The building is expected to be completed by May, 1935. The remainder of the money is being spent for a municipal library, abattoir and other public buildings.

A Russian-born Woman Who Claims U.S. Citizenship

During the settings of the U.S. Court for China at Tsientsin last week Judge Helmick had before him the case of a Russian-born woman, Mrs. Wright, who tried to establish her American citizenship. She stated that although she was Russian by birth, she had married an American prior to 1922 and at the time of her marriage a wife took the nationality of her husband automatically. The case against her was that court records showed that she had been served with divorce papers and so lost her national rights. Mrs. Wright firmly denied this and claimed that she had been many miles from the place in which the writ was alleged to have been handed to her, and that it had been served upon an unknown party. As the recorder has died and Mrs. Wright's husband has also passed away there was nothing left to prove her having received the writ save the official files. The woman's attorney admitted that much evidence would have to be brought forth to prove his client's claim and did produce one male witness who stated that he had resided in the same boarding house as Mrs. Wright during 1918, the year in question and could swear that she had not been in the territory where the writ was supposed to have been served.

Judge Helmick did not render a decision.

Your Life Depends Upon Millions of Tiny Boats

Travelling Along Your Blood Stream Loading and Unloading Cargoes

Nature operates a marvellous transportation system along the many miles of arteries, veins and capillaries forming the blood stream. Along this stream millions upon millions of tiny boats hurry, loading and unloading cargoes without ever stopping at a wharf.

These cargoes are far more precious than diamonds or rubies, or gold or silver. They contain the elements that keep you alive.

Here Is What They Carry

One of these cargoes is oxygen which the tiny boats load up with when they are passing through the lungs. They carry this oxygen to all the cells everywhere in your body. If these tiny boats went on strike and refused to carry oxygen for even a few seconds, you would perish for lack of this vital element.

Another cargo these boats carry is nutriment from the food you eat. Your digestive organs load up these tiny boats with nutriment, which is carried to all your body cells to repair the wear and tear that is always going on.

Still another cargo these tiny boats carry is gas poisons which are constantly being generated in the body cells. These gas poisons are carried to the lungs where they are unloaded and breathed out into the open air.

Weakness Develops When Blood Count Falls

A person in normal health has a fleet of about 25 million million of these little boats, which are, in reality, the Red Corpuscles. When the number of these boats falls below normal, the person naturally falls below normal in health, too, because there are fewer boats to bring vitally-necessary oxygen and strength-building nutriment to the body cells. A low number of Red Corpuscles is known to the medical profession as a low blood count. The lower the blood count the more serious the condition. If your blood count is only 10% below normal it means that you have actually lost more than two million million of these cargo-carriers.

A microscopic blood test will show whether your blood count is below normal. But you can tell without that, by the way you feel. There are symptoms that are associated with a blood count below normal, such, for example, as indigestion, constipation, nervousness, general weakness, pale lips, poor complexion. A run-down, tired-out, chronically-fatigued person nearly always has a blood count below normal.

If you have these symptoms of a below-normal blood count it would be advisable to take for a while a preparation that has been proven effective in increasing the blood count. In a test held recently by a pathologist at a leading hospital in Canada a number of men and women, whose blood was microscopically examined and blood count found below normal, were given Dr. Williams' Pink Pills for a period of four to five weeks to determine the value of this preparation.

Here Are Some Typical Results

One woman's blood count increased from 3,600,000 to 5,300,000 red corpuscles in the cublic millimetre of blood. A second woman from 4,100,000 to 5,200,000. A third woman from 4,500,000 to 5,500,000.

One man's blood count increased from 4,700,000 to 6,200,000. A second man's from 4,900,000 to 5,200,000. A third man's from 5,000,000 to 5,400,000.

In every case where the blood count was below normal, Dr. Williams' Pink Pills increased it.

Naturally the patients in all these cases reported that they felt very much benefitted:—vigor and strength increased, appetite keener, nerves better, digestion improved, a keener desire to work and to do things.

What To Do To Increase Blood Count

If you, too, need your blood stream revitalized you cannot do better than to take this clinically-tested, scientifically-proven preparation. Dr. Williams' Pink Pills will put new life, pep and power into your system—make you feel like a new person.

You may not need to take this remedy for more than 30 days. In any event you'll feel so much peppier, stronger, more vigorous at the end of that time that you'll need no urging to continue the treatment until the number of boats in your Red Corpuscle fleet is built up to normal and your health restored to par.

In the United States Court for China

In re.
Estate
of
CARL ALFRED
NAHMMACHER,
Deceased

Cause No. 3720
Special Proceedings No. 989
NOTICE
Filed at Shanghai, China,
September 14, 1934.
Sgd. William T. Collins,
Clerk.
by L. T. Kenake, Asst.
clerk.

Pursuant to an Order of said Court notice is given to all persons having claims against the estate of CARL ALFRED NAHMMACHER, deceased, to present the same with vouchers to the undersigned on or before the 22nd day of February, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

MRS. W. E. NAHMMACHER,
Administratrix
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Cantonese Ask for Freedom of Press

Following its recent telegram outlining its attitude toward the forthcoming Fifth National Congress of the Kuomintang, the Southwest Kuomintang Executive Committee end of last week issued another circular telegram, this time demanding freedom of the press and lifting of the censorship, as well as unfettered freedom of C. E. R. members and Kuomintang members to make constructive suggestions with regard to national, Party and military affairs. The telegram signatures are headed by Hu Han-min and supported by 28 Southwest members of the Central Executive Committee and Central Supervisory Committee, including General Chen Chi-tang, General Li Tsung-jen, General Pai Chung-hsi, Messrs. Tang Shao-yi, Siao Fu-cheng, Teng Tsah-yu, Chow Lu, Liu Lu-yin, Dr. Ho Shih-chen, Chairman Lin Yun-kai, Mayor Liu Chi-wen, etc. The manifesto asserts that the tyrannical "big stick" of the military dictatorship will prevent delegates from expressing their free views. This oppression, it is declared, has placed the nation in greater jeopardy and increased the sufferings of the people, and also constitutes a danger to the principles of the Kuomintang.

A Further Move Against the International Savings Society

In communications to the Hupeh Provincial Government and the Hankow City Government, the Hupeh Provincial Party Headquarters Sept. 26 urged the authorities to take immediate steps to suppress the operation of the International Savings Society in said province. The Tangpu authorities pointed out "the great harm from the accumulation of the savings of the Chinese in the hands of a foreign concern to be utilized to improve the foreign concessions in China and also many cases of alleged unfairness and inequity in the treatment of Chinese bondholders."

Dr. E. H. Hume Addresses Rotarians on Medicine as a Social Concept

Dr. Edward H Hume, advisor to the National Medical College of Shanghai and to the Shanghai Medical Center, and late. President of the colleges of the Yale-in-China at Changsha, in a speech before Shanghai Rotarians Sept. 27 said the public are insisting that said doctors shall not act as the priests of some mysterious cult, but that they shall come out into the open and explain the results which they have achieved, in language which the public themselves can understand, so that the technique of some new disease can be grasped, and not patented and sold for some enormous sum, as some medical man is proposing to do, in regard to the new treatment of a disease he has discovered.

Lester Hospital Murders Attributed to Communist Feud

Examination of ammunition captured by the police of the Shanghai Foreign Municipality in a raid on a silver smith's shop on Rue Ratard, in the French Concession, following the assassination of Hsiung Kuo-hua in the Lester Chinese Hospital, resulted in linking the shooting at the Lester Chinese Hospital with previous crimes of a political character perpetrated in the last two years in the International Settlement, particularly the shooting of ex-Communists employed against their former comrades by the Bureau of Public Safety.

"Finis" Is Written to Union Club

The members of the Union Club voted unanimously for the club's dissolution at a meeting, which was held at the club quarters in Peking Road, Shanghai, Sept. 28. G. L. Wilson, president of the club, in an address outlined the history of the organization. Membership of the club he said was at first limited to three nationalities, Chinese, British and American; later the rules were changed and membership was thrown open to all nationalities. But the position to-day was that the Club had large and expensive club premises which were seldom used, and the Committee had been forced to the conclusion that the club had outlived its purpose.

Fifty American Kiwanis to Make Oriental Tour

About 50 American Kiwanis Club members will visit China and Japan early next summer, according to word received by George F. Murray, Far Eastern manager of the Kelvinator Corporation. The party will be headed by James T. Ransdall, Jr. California contractor. The men, accompanied by their wives, will remain in Japan a month, travel through Manchuria and then come to China, returning to the United States by way of Shanghai. Although all members of the group will be Kiwanis, they will not represent that organization officially.

Gen. Tsai Ting-kai Is Feted in Washington and New York

A Washington message Sept. 29 stated that General Tsai Ting-kai, one-time defender of Chapei and later a leader of the Fukien revolt against the Nanking Government, was feted in a long procession up Washington's historic Pennsylvania Avenue, while brass bands played and 500 lusty Chinese throats cheered. The Chinese military leader was described as sitting on the large, expensive, flower-decked automobile with garlands of roses around his neck and bowing to the crowds that lined the street to see the famous character. Accompanied by the committee of 500 Chinese and Americans he placed a wreath upon the tomb of America's "Unkown Soldier." The General arrived in Washington from New York, where he had been feted and entertained for two weeks.

[This is one of those examples where a prophet is not without honor save in his own country. He certainly would not get a reception like that here in Shanghai.—Ed. *C.W.R.*]

CUSTOMS NOTIFICATION NO. 1387

The public is hereby notified that in accordance with Government instructions all old foreign gunny bags, as well as all native gunny bags, old or new, will from the 1st September, 1934, be exempt from the payment of interport duty on shipment coastwise and that native gunny bags produced in privileged factories when moved within China will likewise be exempt from payment of the single duty leviable in accordance wtih the rules for the duty treatment of factory products.

In the case of coastwise shipments of new foreign gunny bags for which no proof of import duty payment is forthcoming, if the Customs are not satisfied that import duty has been paid, the Re-export Application will be marked "No Proof of Duty Payment: To Pay."

Any interport duty collected on coastwise shipments of gunny bags on and after 1st September, 1934, will be refunded at the shippers' request.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
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The National City Bank of New York, Rates of Exchange

Shanghai, Oct. 4, 1934

Demand selling rate on America:	U.S.$100=Sh. $ 2.76
Demand buying rate on America:	U.S.$100=Sh. $ 2.73
Demand selling rate on London:	£1 0.0=Sh. $13.66
Demand rate buying on London:	£1.0.0=Sh. $13.47

Latest New York Stock Exchange Quotations

Business Done:- 370,000 Shares

October 3, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCKS	Last Sale Mon. Oct. 1	Last Sale Tue. Oct. 2
13¾	3	—	Adams Express	7	7
88	11¼	1.20	Alaska Juneau	19½	19⅝
160¾	70⅝	6.00	Allied Chemical & Dye	124⅝	124⅝
107⅝	49½	4.00	American Can	97¼	97⅝
19⅝	3⅞	—	American & Foreign Power	6⅝	6⅝
27⅝	3¼	—	American Metal Company	15⅛	15¼
83½	10⅜	—	American Smelting	32	32⅝
134⅝	86½	9.00	American Tel. & Tel.	109½	109⅝
94⅝	50⅜	5.00	American Tobacco "B"	77	76½
43¼	10⅞	—	American Waterworks	16	16⅝
22⅞	5	—	Anaconda Copper	11	11⅛
18⅝	5⅜	—	Atlas Corporation	8½	8¾
84½	16⅞	1.00	Auburn	23½	24⅜
37⅞	8½	—	Baltimore & Ohio	15	15⅝
49½	19¾	—	Bethlehem Steel	26⅜	27
37⅝	18	1.60	Borden Company	25	25¼
28½	8½	1.00	Borg Warner	24	24½
29⅜	7½	—	Canadian Pacific Railway	13½	13⅝
103½	30¼	—	Case, J. I.	41½	41⅝
46⅝	15⅝	1.40	Chase National Bank	21⅝	21½
52½	14⅞	2.50	Chesapeake Corporation	38	38¼
60⅝	7⅝	1.00	Chrysler	32½	32½
28½	7⅜	—	Columbia Gas & Electric	8⅝	8⅝
6¼	1¼	—	Commonwealth & Southern (ord.)	1⅝	1⅝
64¼	25¼	2.00	Consolidated Gas of N. Y.	28⅝	27⅞
23⅝	4⅞	0.25	Continental Oil	17½	17¼
9⅞	2	—	Coty Inc.	5	5⅛
5½	1¼	—	Curtiss Wright Company	2⅝	2½
93⅝	35	—	Delaware & Hudson	37½	37½
45⅝	12	2.00	Dome Mines	42½	42⅝
28¼	10¼	—	Douglas Aircraft	15	14⅝
103⅞	32¼	*2.60	Du Pont de Nemours	87½	88⅝
101½	46	4.00	Eastman Kodak	99½	99½
41⅝	9¼	—	Electric Bond & Share	10⅜	10¼
15⅝	3¼	—	Electric Power & Light	4¼	4⅜
19	8¼	—	Fox Film "A"	11⅝	11⅜
50⅝	16¼	2.00	Freeport Texas	23½	23¾
10⅝	2⅝	—	General Aviation	8¼	8¼
80¼	10¼	0.60	General Electric	17⅜	17⅝
39⅞	21	1.80	General Foods	29⅝	30
42	10	*1.00	General Motors	28⅝	28½
49⅛	13¾	1.00	General Railway Signal	23½	24⅜
27⅝	12	1.20	Gold Dust	17¼	17½
47¼	9¼	—	Goodyear Tire & Rubber	20¾	20⅝
81½	15	3.00	Hercules Pwdr. Co.	68½	68½
430¼	145	12.00	Homestake Mining	385	385½
57¼	35½	3.00	Howe Sound	49⅜	50
23⅞	3	—	Hudson Motors	7⅜	7⅜
40	6¾	—	International Cement	19½	20
46⅞	13⅜	0.60	International Harvester	29½	29⅝
29¼	6⅜	0.60	International Nickel	24⅝	24⅝
21⅜	5¼	—	International Tel. & Tel.	9½	9⅜
66⅝	12¼	—	Johns Manville	44½	45½
26	7⅜	0.15	Kennecott	18⅝	18
79⅝	37½	2.40	Lehman Corporation	68	68⅜
99⅝	49	*4.00	Liggett & Myers "B"	98⅜	98⅜
36⅜	8½	1.00	Loew's Inc.	27⅞	28
25¼	10⅝	1.20	Lorillard	17½	17⅝
35⅝	8⅝	—	Montgomery Ward	25⅝	26¾
54⅞	41¼	1.00	Monsanto Chemical	50⅜	49
43	16⅝	1.00	National City Banks	19⅝	19⅜
33¼	16½	—	National Distiller	18⅞	19
58½	14	—	New York Central	21⅜	21⅜
36½	12⅜	4%S	North American	13½	13⅛
96⅜	31½	3.00	Owens Illionois Glass	64½	65
31⅜	14¼	1.50	Pacific Gas & Electric	14⅜	14
6⅝	1⅜	—	Packard Motors	3⅝	3⅝
42½	13⅜	1.00	Pennsylvania Railroad	21⅝	22½
6⅜	1½	—	Pennroad Corporation	1⅝	1⅝
20⅜	4⅝	1.00	Phillips Petroleum	15½	14⅜
12¼	3	—	Radio Corporation	5⅜	5⅝
54¼	26½	3.00	Reynolds Tobacco "B"	47⅜	48½
61⅜	12½	—	Sears Roebuck	35	35⅜
19⅜	6	0.60	Socony-Vacuum Corporation	14	14⅜
28	10½	1.50	Southern California Edison	11¼	11¼
22½	5⅜	—	Standard Gas & Electric	7½	7⅝
50¼	22⅝	1.00	Standard Oil Co. of N. J.	42⅜	43⅝
66¼	45⅜	3.80	Sterling Products	50	53⅜
9¼	1½	—	Studebaker	2⅞	3
30½	10⅜	1.00	Texas Corporation	22	22¼
9⅜	2⅜	0.12	Transamerica	5½	5½
51⅞	19¾	1.40	Union Carbide & Carbon	41⅜	42⅜
133⅜	61¼	6.00	UnionPacific	98⅜	98½
46⅞	12¼	—	United Aircraft & Trans.	9	9¼
14½	3⅜	—	United Corporation	3½	3⅜
25	13⅜	1.20	United Gas Improvement	14½	14½
25	2⅞	—	U. S. Rubber	15½	16
67½	23⅜	—	U. S. Steel	32¾	32⅝
81½	21¼	*2.00	Universal Leaf Tobacco	48¼	46
36¼	7⅝	—	Vanadium	16	15⅝
13⅜	1	—	Warner Bros. Pictures	4⅜	4⅞
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54⅞	25½	2.40	Woolworth	48¼	48¼

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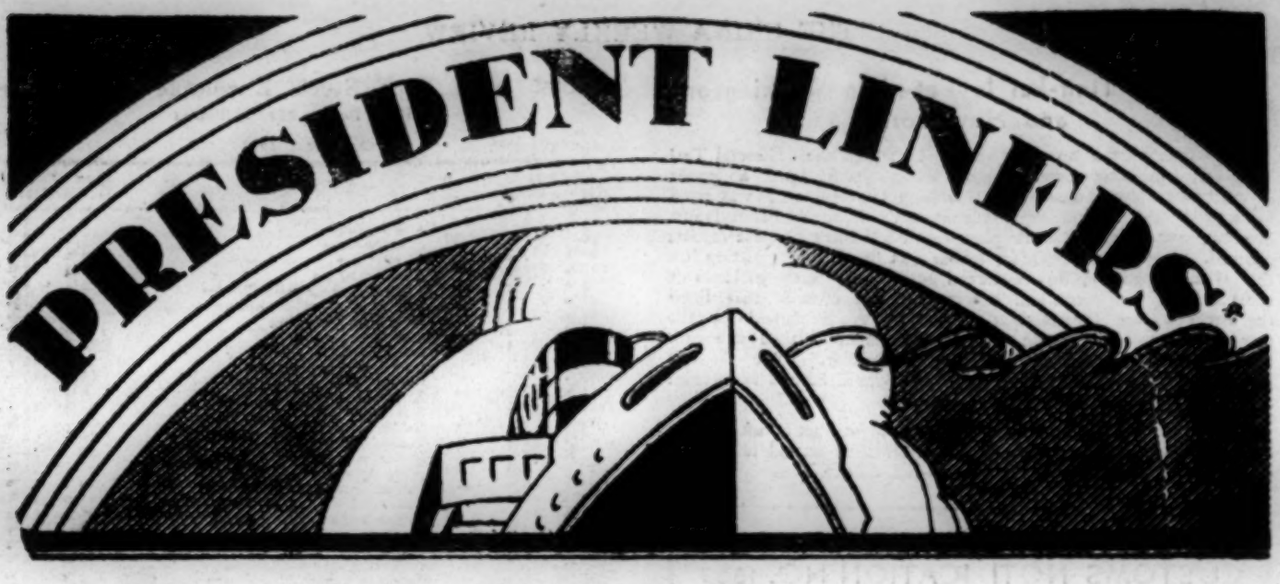

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